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How L&N uses mobile radios to **cut train delays** and speed track work . . . . . p. 22

May 24, 1965

RAILWAY AGE WEEKLY

Railroad ads: Better—but fewer p. 18

"Average New N&W Car Has Increased 35.5% In
e 1953."
N&W
Fine china doesn't deserve a break.
Southern Pacific
RICHMOND
Industrial Center
Phoenix
LOOKING for a new plant or warehouse site?
Any of these booklets are yours for the asking. So are many facts about other industrial sites along the 13,000 miles of Santa Fe.
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Santa Fe
RISCO
HE NEWEST RAIL IDEAS
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A new dimension in service... on the Southern today!
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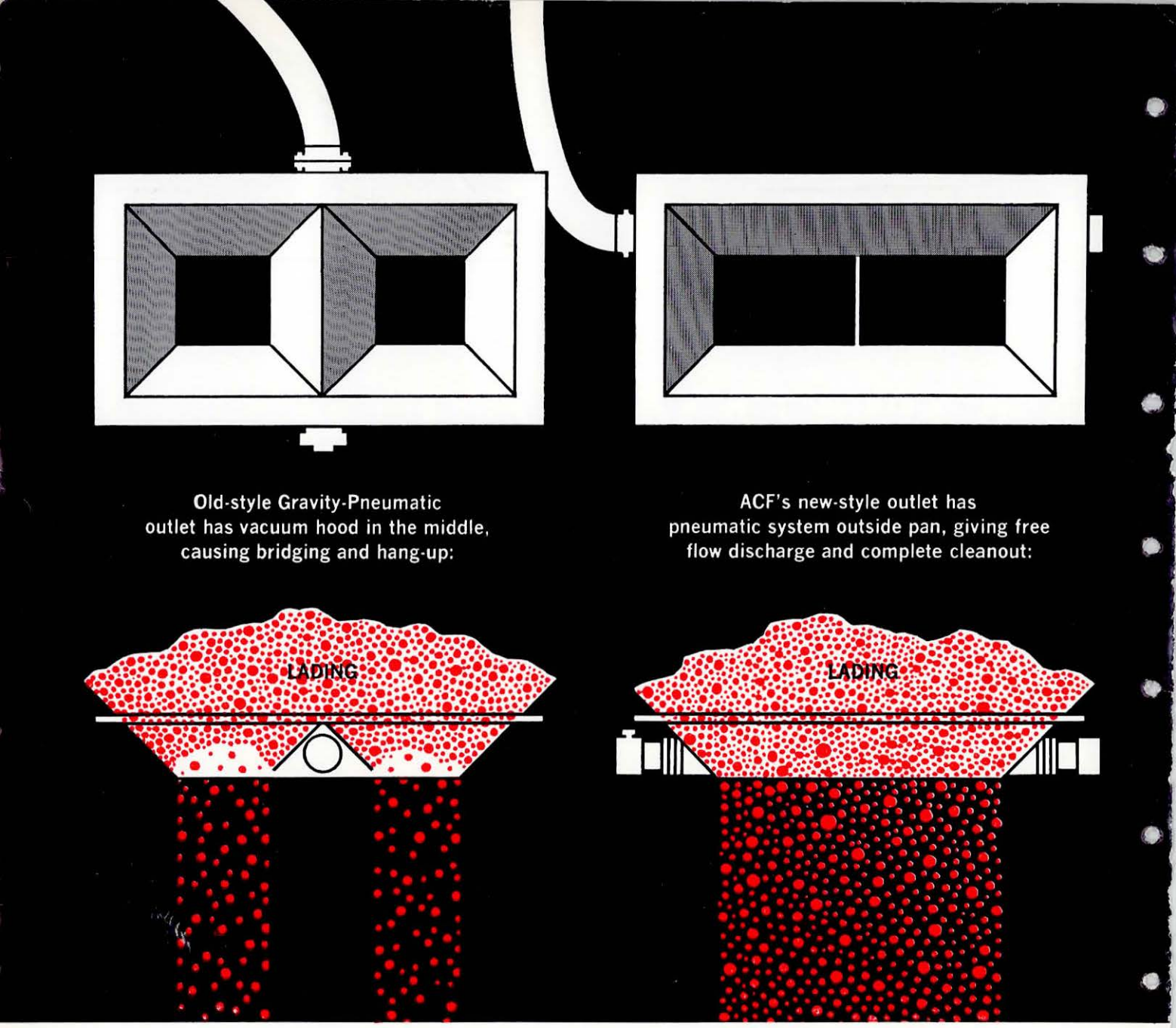

Old-style Gravity-Pneumatic outlet has vacuum hood in the middle, causing bridging and hang-up:
ACF's new-style outlet has pneumatic system outside pan, giving free flow discharge and complete cleanout:
LADING
LADING

ACF Gravity-Pneumatic outlet eliminates bridging, gives 5 times more efficient gravity discharge!

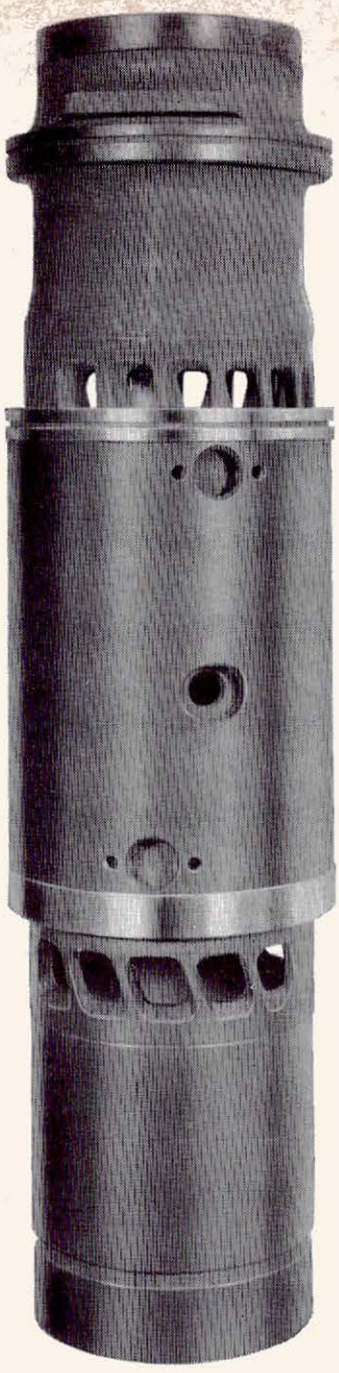
ACF's new Gravity-Pneumatic outlet saves time and money when you're unloading dry bulk ladings. For the first time in a combination outlet, you get gravity flow rates as efficient as with a standard gravity outlet.

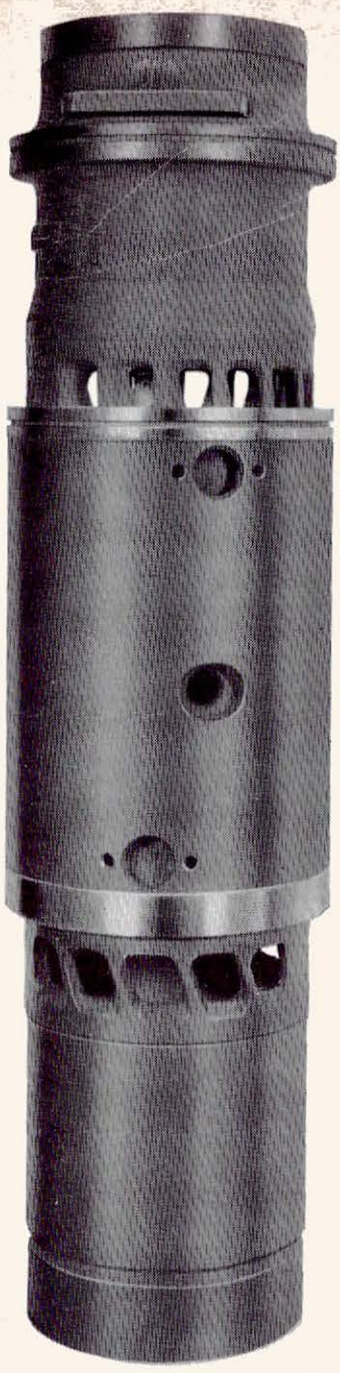
This has been achieved by entirely new design. ACF has located the pneumatic intake *outside* the gravity discharge area, where it cannot cause bridging or impede the flow of ladings.

The unique design of the new ACF Gravity-Pneumatic outlet also assures you of more thorough pneumatic clean-out.

This new outlet is available only on ACF Center Flow cars. Call or write American Car & Foundry Division, ACF Industries, Incorporated, 110 Clark Street, St. Charles, Missouri 63301, or our sales offices in New York, Chicago, Cleveland, St. Louis, San Francisco, Washington, D.C.

acf ACF INDUSTRIES





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JOIN THE RAILWAY AGE TWO-WEEK TOUR TO EUROPE

SCHEDULE OF RAILWAY AGE TOUR

Wednesday, September 15: Leave 6:45 P.M. from JFK International Airport, New York, aboard Swissair DC-8 Jet

Thursday, September 16: Arrive in Zurich, 7:10 A.M. Leave Zurich 8:35 A.M. for 1-hour flight to Munich.

Friday, September 17 to Thursday, September 23: The entire week in Munich can be devoted to individual interests at the International Exhibition of Transport and Communications and International Permanent Way Exhibition.

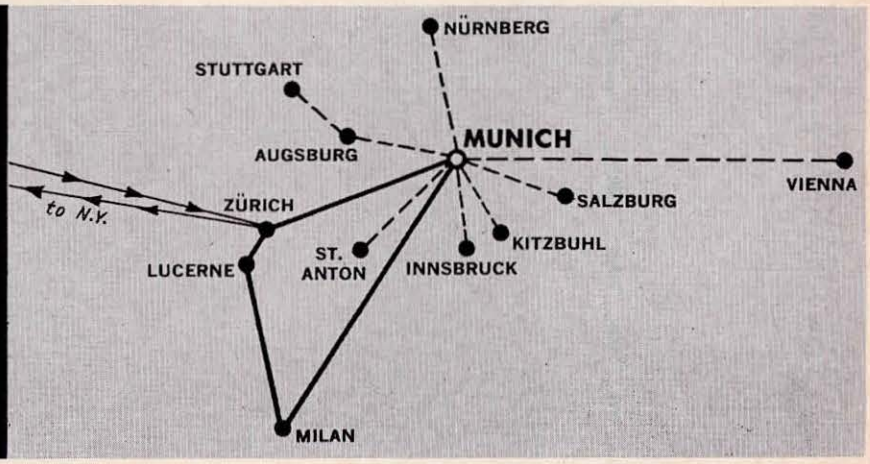
Friday, September 24: Leave 8:15 A.M. by train for Milan. Arrive early in the evening.

Saturday and Sunday, Sept. 25-26 at Milan: Tour of city's large railroad installations.

Monday, September 27: A.M. departure by train for Lucerne. Arrive early afternoon.

Tuesday, September 28: At Lucerne.

Wednesday, September 29: Leave by train for Zurich after breakfast. Leave Zurich at 1 P.M. by Swissair DC-8 Jet for a daylight return to the United States.



IN SEPTEMBER, 1965 FOR THE TWO BIG RAILROAD SHOWS IN MUNICH

Here is your opportunity as a professional railroader or railroad supply man to take a two week Air-and-Rail tour sponsored by Railway Age to visit the two big railroad shows being held in Munich this year. The summer-long First International Exhibition of Transport and Communications will feature a special week September 17-24 for professional railroaders the world over. The International Permanent Way Exhibition has been scheduled for the same week.

You couldn't ask for a more ideal occasion to meet and mingle with other railroad and railroad supply men from all parts of the world and to view the latest international railroad techniques and equipment. You will have opportunities for sightseeing, personal business and visiting.

The Railway Age tour will leave New York on September 15 from the J. F. Kennedy International Airport via Swissair DC-8 Jet. Arrive in Zurich early on September 16. Leave Zurich 8:35 A.M. for flight to Munich.

A summary of the itinerary is given in the column above. The tour program is for 14 days. The air fare, however, allows a stay up to 21 days, giving you the option of extending your stay in Europe for one week.

The Railway Age tour is being offered at cost—$632.40—covering round trip air fare, rail travel, hotel accommodations, hotel gratuities, two meals a day at hotels and dining car meals.

So plan now to come along. Mail the coupon without delay for space reservations or more complete information.

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RAILWAY AGE WEEK AT A GLANCE

May 24, 1965 • Vol. 158, No. 21

Katy draws a blueprint for going first-class

To freshen herself up, Katy has plans to spend up to $100 million on a massive face-lifting job **p.10**

CN cuts the ribbon at its Toronto Yard

Last week, the Canadian road officially opened its giant, 1,000-acre automated classification yard **p.15**

Railroad ads: Better—but fewer

Advertising managers are increasingly putting their dollars into freight and industrial advertising **p.18**

L&N uses radio repeaters to speed track work

With the new equipment, gang foremen can reduce train delays and increase production time for men and machines **p.22**

Hot slabs move in NYC unit train

The new service, predicts NYC President Perlman, will be as successful as the road's unit coal trains **p.29**

Why Burlington bought a mountain

Massive amounts of dirt and rock fill are needed by the road for rebuilding after last month's flood **p.30**

The tug-of-war over the CSS&SB goes on

C&O and Monon are still vying for control of the Chicago South Shore. The decision is up to the ICC **p.32**

The Action Page—Doing more, talking less

Today's railroad story is a great one. But is it being advertised in the fashion it deserves? **p.38**

Departments

Dividends	36	Railroading After Hours	26
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Busy men can't wait

That's why, in railroading as in advertising, the basic book is the weekly

● In Advertising Age on May 17, advertising executives were reading about: ABC's plan to substitute its own satellite for AT&T's . . . the latest FTC proposal to shorten the 3-year moratorium on cigarette advertising warnings . . . the long-awaited results of a study of advertiser-agency relationships by the Association of National Advertisers. In a business where news *is* business, busy men can't wait.

● In Railway Age on May 17, railroad executives were reading about: the bright outlook for America's rail transit . . . continuing losses incurred in hauling passengers despite an upturn in patronage . . . a report on work-in-progress for rapid transit in the San Francisco area . . . the two-way fight for control of the Chicago South Shore & South Bend. In the railroad industry, too, news is business. And busy men can't wait.

• • •

The man who is making important decisions every day can't wait a month to find out what's going on.

That's why, in America's fast-moving industries, the industry authority is the *weekly*. Like Iron Age. And Advertising Age. And Railway Age.

That's why Railway Age consistently publishes 2½ times more news and articles than the general railroad monthly.

That's why readers consistently vote Railway Age the "most useful" railroad publication of all, including the general railroad monthly.

That's why advertisers consistently place more pages in Railway Age than in any other railroad publication. Including the general railroad monthly.

Are you in Railway Age?

RAILWAY AGE

ONE OF AMERICA'S GREAT WEEKLIES

A Simmons-Boardman Publication
30 Church Street, New York, N. Y. 10007

SHORT AND SIGNIFICANT

From SP: Another view of work-rule 'savings'

Operating unions may complain bitterly of their losses under last year's work-rules settlements—but that's far from being the whole story on the situation. Southern Pacific last week provided another slant. Said Chairman D. J. Russell: "Wage increases for SP during 1964 and 1965 alone will total $33 million—and that is more than three times the savings we anticipate from elimination of obsolete work rules."

●

Crew-law repeal nearer in Oregon

Legislation removing Oregon's train-crew law from the statute books has been passed and needs only the governor's signature. But railroads operating in the state have found the path to repeal strewn with roadblocks. Or, as one Oregon newspaper commented, "Intrigue on the full-crew-law repealer has been so thick this session it seems as if the bill were being made to apply to the Orient Express instead of mainline freight trains in Oregon."

●

C&NW-Milwaukee merger gets another okay

Shareholders of Chicago & Northwestern have added their vote of confidence in merger of their company and the Milwaukee Road. The C&NW vote on the proposal: 1,390,655 shares of preferred and common stock in favor, 11,662 against. Milwaukee shareholders gave a similar overwhelming vote for consolidation earlier this month.

●

Merger among the ops? It's proposed in Canada

The Brotherhood of Railroad Trainmen—which wants a merger of train-service unions in the U.S.—is proposing a merger of train- and engine-service unions in Canada. BRT President Charles Luna, talking to a Canadian audience, declared that "interests of the running trades are more and more allied and intermixed. I am fully of the opinion that we need not only closer cooperation but also a common organization." The Trainmen, said Luna, "would be happy to merge with the other train-service organizations in Canada. But, there is an area in which we feel they should solve their individual problems first. When they have settled their internal disputes, we stand ready—and we offer the hand of friendship—for merger." Canada—unlike the U.S., which has five operating unions—has only three major op organizations, the Trainmen, Engineers and Firemen.

●

RI Chairman Langdon becomes president, too . . .

Former Baltimore & Ohio President Jervis Langdon, Jr., who came west to become board chairman at Rock Island in late 1964, has now been elected chairman and president. R. Ellis Johnson, RI president since May 1961, has been elected vice chairman. As the top-management changes were announced, Langdon also outlined an operating-department reorganization which sets up a system general manager's office in Kansas City and discontinues the present two-operating-district arrangement.

●

And RI increases its equipment budget by 150%

Early this year, Rock Island budgeted $23 million for motive power and rolling stock—but that was early this year. Now, RI is planning to spend another $34 million, for a total equipment budget of $57 million in 1965. New authorizations cover acquisition of 45 locomotive units, and 2,046 freight cars.

MONDAY MORNING REPORT

LBJ's user-charge message: AAR should follow the leader

When the AAR appears again at Congressional hearings to support the railroad industry's user-charge proposals, it might well offer President Johnson's user-charge message as its presentation. With arguments tightly logical and eloquent, the President last week urged Congress to proceed now with legislation to implement that part of his transportation program which calls for inauguration of charges for use of publicly provided inland waterways and more adequate charges for use of publicly provided highways and air transport facilities.

A fuel-tax hike for waterways, airways and highways

The specific recommendations were like those made previously by the President in his budget message last January. To institute waterway user charges, he proposes a two-cents-per-gallon tax on vessel fuel. For commercial aviation, he recommends a two-cents-per-gallon tax on jet fuels and continuation of the like levy on aviation gasoline, a 2% tax on air-freight bills, and continuation of the 5% air-fare tax. The proposed levies on highway users would raise to 7 cents per gallon, from 4 cents, the tax on diesel fuel, increase from $3 to $5 per thousand pounds the truck-use tax which applies to trucks weighing more than 26,000 pounds, and raise the tax on tread rubber from 5 cents per pound to 10 cents.

Action this year by Congress is not very likely

These proposals occupied nearly half of President Johnson's two-part message of May 17. In the other part the President recommended reduction and eventual repeal of various excise taxes. Prospects are dim for Congressional action this year on the user-charge recommendations. That's because the House Ways and Means Committee has decided to separate the Presidential program, proceeding first with the tax-cut phase.

Hearings will be long and the shouting will be loud

The chairman of that committee, Rep. Wilbur D. Mills (D.-Ark.), announced this plan of procedure. He also announced that hearings will be held on the user-charge proposals when they are taken up. Such hearings are apt to be lengthy because the affected transportation agencies will have much to say in opposition. American Trucking Associations was "stunned" by the proposals. American Waterways Operators has said of like previous proposals that they would "inevitably result in virtual extinction of waterway commerce." And the Air Transport Association has taken the position that commercial aviation is already paying adequate user charges.

Purpose of the tax shuffling is 'efficiency and equity'

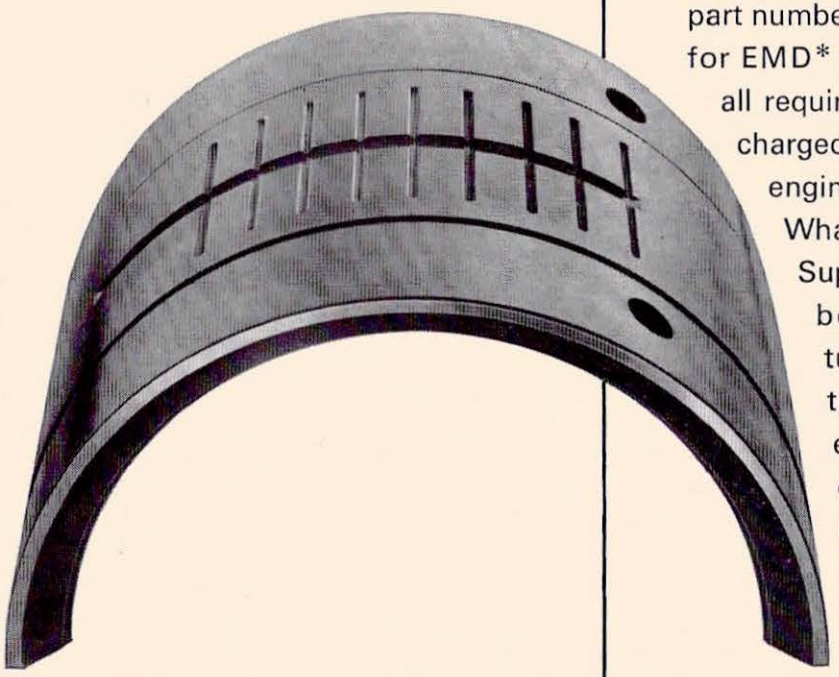
Separation of the proposals is not in accord with the Presidential plan. His message made this clear. It said the tax cuts would "contribute to greater economic efficiency and equity in our society." And it then gave like status to the user-charge proposals, saying: "Pursuit of these very same goals of efficiency and equity demands that we increase certain other excise taxes . . . better described as user charges." Thus, the President would consider it "a serious abdication of responsibility if I were to propose a substantial reduction in excise taxes without at the same time moving to correct serious inequities that exist in the field of user charges."

The only fair way is for everyone to pay their way

User charges "assess the cost of special services and facilities against those who reap the benefits, instead of imposing unwarranted burdens on the general taxpayer," the President added. He also suggested that adequate user charges "restrain the demands of special groups for expanded services."

Now you need just one upper rod bearing part number

...and Clevite has it. This premium nine-groove bearing replaces both part numbers you are now stocking for EMD* replacement. It meets all requirements for both turbocharged and non-turbocharged engines.



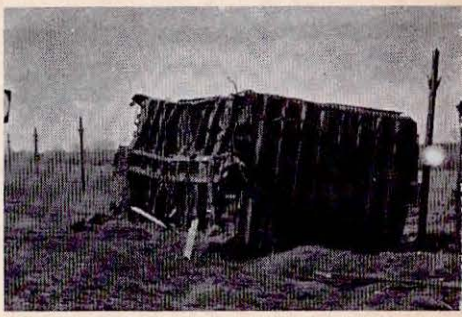
What does this offer you? Superior performance from bearings fitting both turbocharged and non-turbocharged engines; easier inventory handling, since you only stock and keep records on one part number; and assurance that you are using the best bearing made for EMD engines. Clevite Corporation, Cleveland Graphite Bronze Div., Cleveland, Ohio 44110.

CLEVITE

RPI MEMBER

*Trademark of General Motors

RAILWAY AGE WEEKLY
May 24, 1965



SIGNS OF THE PAST:

One product of the inch-by-inch inspection of Katy when the new management took over was mile-by-mile photos showing deterioration of under-treated ties, left, abandoned wrecks, above, and unworked ballast dumped on track, right. Crash program to correct deficiencies is under way.

Katy draws a blueprint for going first

After a long spell on the maintenance and renewal dole, M-K-T is getting ready for a $100-million revitalization program.

Chances are no railroad man alive today has had more experience wrestling with rundown railroads than has John W. Barriger. And chances are he'll be able to apply every last bit of that experience in the new assignment he's accepted at Missouri-Kansas-Texas.

Barriger's job, in starkest terms, is to drag Katy back from the brink of ruin—and, hopefully, to set the old lady up in prosperous circumstances such as she hasn't known for years.

Barriger has been with Katy only a little more than two months. But by mid-April he had completed a system-wide inspection. Earlier this month, he presented to M-K-T directors the whole grim story of what he saw—and, more important, his proposals for a massive rebuilding that may add up to $100 million.

● **Across the board.** The recommendations cover equipment, plant, supervision, operating practices, traffic-building efforts. About $80 million of the total cost, Barriger says, "represents deferred maintenance and neglected development that Katy has suffered from in recent years. An additional $20 million is what the road should spend in the course of the next five years to keep the transportation in step with the needs of its territory. This fiscal measurement established the financial context within which we'll try to put Katy on a firm footing—and we intend to do just that."

One of the toughest problems that Barriger and Katy face is an interlocking of deficiencies. Example: The road's bad-order ratio is about the highest in the industry. The plan calls for rebuilding of 2,500 freight cars in the next three years and buying 5,000 new cars at the rate of 1,000 per year. But Katy's shop facilities will take a lot of work before the car program can get going. The road does have an adequate shop at Parsons, Kan. However, says Barriger, it lacks the necessary tools, machines and service facilities to do the job that has to be done.

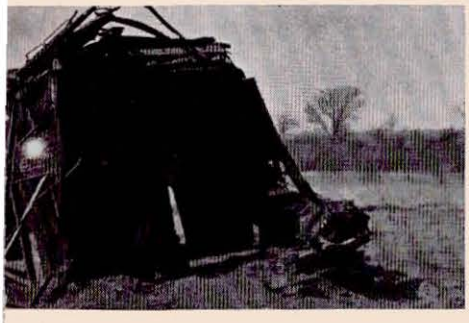
● **Track work needed.** Much the same situation exists in the fixed property. The to-be-new Katy would have significant improvements in train service. But dollar upon dollar will have to be spent first to bring the road's track up to snuff for safe operation of high-speed freight trains.

All of this, as one observer pointed out, must take John Barriger back to the old days. For the past decade, he was president of Pittsburgh & Lake Erie, one of the most ship-shape, most profitable, most efficiently run properties in the country. But before that, he dealt with a succession of roads, most of which were in one stage of trouble or another—and Katy is, by any definition, in the troubled class.

Barriger, however, has never been a man to accept pessimism as a way of operating. He's seen M-K-T's problems—and he sees a possible way out. Here's how he talks about the job ahead:

● **The 'cannibal' approach.** "Katy has been deteriorating sadly. Its apparent earning power in recent years has not been that at all, but only a return of capital through a process of liquidation following failure to restore to property the equivalent service life dissipated by use and weather in each year's operations. This kind of self-cannibalization that has been going on would, if not reversed at once, result in substantial parts of the Katy's main line being covered with slow orders that would bring its service down below minimum competitive standards by the end of 1966.

"This railroad handles about 800 cars a day at the present time—and that is below the minimum subsistence level. Further deterioration in property



class

condition would shrink it still further. M-K-T needs 1,100 cars a day to rehabilitate itself adequately—and 1,300 cars a day average throughout the year to produce a satisfactory earning power. That 1,300-car-a-day level can be attained if we can put our house in order and, by this, participate in the growing economy of the southwestern states that this railroad serves.

● **Damage—and little repair.** "Derailments, which have been far too frequent, have left damaged freight cars along M-K-T mileage. In M-K-T yards, nearly 300 foreign-line cars damaged in accidents were found on hand by the new management—with no effort being made either to repair the cars or send them back to the owner lines. A campaign was immediately started to return these cars to owner roads—or demolish those which would be non-repairable. Per diem had been accumulating on a few of these cars for over 400 days, and on most of them over a period of a number of months.

"An accumulation of most of the ties taken out over the past eight years was left along the right-of-way rather than being burned—adding to the ghostly appearance of the railroad. Very little new rail had been laid. Many pieces of over-age rail had been taken out following Sperry-Car tests, and most of these were left lying along the right of way.

● **Where to start?** Among the first steps in the Barriger program are installation of 35 miles of heavier rail, along with 500,000 to 600,000 ties and 4,000 carloads of ballast. He also wants to acquire 1,000 new freight cars (in addition to the units Katy will rebuild). What are the prospects? Barriger says the road hopes to have enough financial backing "to be able to order our cars by mid-summer—and to be well under way with the other work."

But, while plant and equipment are the most obvious phases of the proposed Katy comeback, the man at the top is by no means overlooking opportunities to improve the road's whole managerial outlook.

Barriger already has borrowed men from other roads to come in and work with Katy men in the mechanical, maintenance-of-way, stores and accounting departments: "These departments are being reorganized in depth. Further, I'm insisting that our people get out and participate in industry associations and activities—to go out and see what's happening on other railroads. Katy has been living in Tibet for years."

● **Cause and effect.** What brought about Katy's woes? A combination of factors—which Barriger sizes up this way:

"A complex set of internal and external circumstances have caused this plight. In 1923, Katy came out of an inadequate reorganization with an initially poor capital structure. It was heavy, in relation to property value and earning power, and included an issue of preferred stock that carried a 7% cumulative dividend requirement—plus bonds convertible into this burdensome stock.

"The brief period of flush earning power established during the late twenties and the later World War II years led to conversion of over $40 million of the 5% income bonds into the 7% preferred stock—not only increasing the fiscal requirements on earning power ahead of common, but also removing the tax shelter provided by having capitalization represented by interest-bearing debt instead of equity securities.

● **Arrearages grow.** "By 1957, the unpaid dividend arrearages on M-K-T preferred stock—which by that time aggregated 440,000 shares—was $154 per share and represented a claim of $70 million ahead of any common dividend distribution. Moreover, this was mounting at the rate of nearly $3 million a year. In order to stop this dividend accumulation — which was rapidly extinguishing any possibility of establishing earning power for the common stock within a reasonable life expectation of any present holder—a voluntary recapitalization was effectuated in 1957-59. Subordinated income debentures were issued to the holders of M-K-T common stock at the rate of $110 per share of M-K-T 7% cumulative preferred. The $110 basis was established by that being equal to the call price of Katy preferred. Seventy-three million debentures were issued in this way (these are now selling at $29). The $154 dividend arrearages per share, representing an income claim of $70 million ahead of common dividend, was exchanged for a non-interest bearing certificate.

"Unlike some roads in Katy territory that rehabilitated themselves in bankruptcy, Katy avoided bankruptcy by deferred maintenance and development during the depression decade and in the years after World War II.

● **Maintenance limited.** "Katy's skimpy maintenance expenditures in the 1930's set a criteria for allowance of critical materials to it during World War II, when they should have been expanding replacement of rail and other restricted property components beyond the levels attained. These limits were too complacently accepted—by reason of the pressures on earning power to neglect property rehabilitation in favor of using all available cash to reduce debt through repurchase of junior bonds in the open market.

"Similarly, after the war, Katy's combined problems of traffic protection, property development and excessive capitalization gradually led in the direction of service and property conditions being liquidated—in order to hold some semblance of profitability and debt contraction. But, this set off a downward spiral that, beginning with the recession that set in in 1957, appeared to be almost irreversible and reached destructive proportions. Revenues fell as fast as, or faster, than expenses—and last year's deficit of nearly $9 million resulted when, literally, the further deferment of maintenance could not be made and 500,000 ties had to be rushed into the property."

● **And the outlook?** Barriger and the group controlling Katy (National Industries and the Madison Fund) are taking hold of what appears to be a real Texas-size task. But Barriger—a native Texan who won his fame in the Midwest and East—knows what it's about. He's done it before. ■

WATCHING WASHINGTON WITH WALTER TAFT

TAFT

STATUS as a case of general transportation importance has been assigned by the ICC to another REA Express undertaking to compete with truckers and freight forwarders. The case is I&S No. 7644. It involves a new pattern of l.c.l. rates proposed by REA on men's and boys' clothing moving from Bruceton, Tenn., to all express stations in the country, except those in Alaska and Hawaii.

The traffic at stake consists principally of relatively small shipments consigned to retail outlets of large chain stores. The rates were published nearly four years ago but held up since—first by a Commission suspension order and then by REA's voluntary action. The Commission's Division 2 has given REA a win, but the case's GTI status permits losers to file petitions for reconsideration by the entire Commission. Such petitions may be expected.

MORE THAN RATE CUTS is involved. REA's proposal would also result in a simplified tariff structure. The chain-store operators control the routings. They are dissatisfied with present services and rates, and have considered handling the traffic in their own trucks. However, they have assured REA of the bulk of the business if its proposal becomes effective.

UPGRADING OF THE CASE to GTI status came despite the fact that the Commission has already made basic determinations in the same area. Most recent of them was in the Container Rate case. That cleared REA rates on all-commodity shipments in containers (RA, Nov. 23-30, 1964, p. 12). The decision made it plain that premium rates need not be charged for highway express services.

THAT MEANS that REA and other express carriers by motor vehicle are free to meet rate competition with rates compensatory to themselves, provided they give "equally expeditious handling to all accepted shipments." In other words, the highway express lines can't publish reduced rates for delayed service—as truckers and forwarders can.

SIXTEEN PROTESTANTS, including motor carrier rate bureaus and forwarders, object to REA's proposed rates out of Bruceton. Incidentally, REA's president, William B. Johnson, said recently that REA has not opposed a single motor carrier tariff in the six years of his presidency. He explained that he doesn't believe in "using the Commerce Act to obstruct rate competition in the small shipment field."

DIVISION 2'S FAVORABLE DECISION was unanimous, embodied in a report by Commissioner William H. Tucker. Citing the Container Rate case, the report rejected similar allegations here, i.e., that express service must be offered at premium rates only, and that REA's proposal is beyond the scope of its authority.

OTHER PROTESTANT ALLEGATIONS included a charge that the proposed rates would result in destructive competition. This was met by Division 2 with its appraisal of the cost evidence. There the Division adjusted figures submitted by the parties, coming up with a showing that REA is the low-cost carrier for the prospective traffic. And this showing was on the fully-distributed-cost basis which the Commission and truckers like but the railroads challenge.

Too much 'Buck Rogers' in transit?

"Buck Rogers" type dreaming applied to urban transit problems might well obscure the basic economy of the steel wheel on the steel rail, the Institute for Rapid Transit was warned last week. G. L. Green, vice president and general manager of Pullman-Standard, told the IRT annual meeting in Washington, D.C., that undue attention to very exotic methods for mass movements of people in metropolitan areas could readily lead the rapid-transit industry "down the same path as that followed by the railroad passenger car business."

● **Transit resurgence.** "Few American industries look more alive today than the metropolitan transportation industry," said Green. "This fact is even more startling when you consider that four or five years ago the most careful observers thought this business was moribund. There are still those critics who do not understand the import of this now-vital industry rising phoenix-like from its own ashes."

An immediate concern, he said, if the carbuilding facilities needed to satisfy this market are to be maintained, is development and delivery of rapid-transit equipment for the plans that are already under way. Green cited Atlanta, Los Angeles, San Francisco and Washington as projects of the type to which he was referring (RA, May 17, p. 38).

The New York, Chicago and Philadelphia transit vehicles which were on display in conjunction with the meeting were called, by Green, "proof that the transit supply industry has been very much alive in recent years, constantly carrying on development programs to improve the quality of products available to their customers."

● **Balanced transportation.** A former president of the American Trucking Associations urged that rapid transit be given a role in the balanced transportation which metropolitan areas must have. "Freeways alone cannot in all cases solve the urban transportation problem, and I do not believe those who help shape the future of our highway program believe they can," explained N. J. Curry, former head of ATA and president of California Cartage. ■

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Brenco *crown-taper* roller bearings are the most modern of all.

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Why do so many corporations contribute to America's colleges?

1. ( ) they want to help the colleges

You were right if you checked No. 2.

American corporations want to make sure there will be enough college-trained leaders to fill the management jobs open today and in the future.

This is good insurance for business.

And the need, we must remember, isn't getting smaller.

World trade is developing fast; business is getting more competitive, more complex; science is introducing new products and processes rapidly.

College-trained men and women are needed, in increasing numbers, to plan and direct the activities of business.

2. ( ) they need the leaders colleges train

But the colleges can't do the training job alone. They need classrooms, laboratories and facilities, yes. But even more, they need backing to maintain a staff of top-notch teachers.

This is the human equation that makes the difference in reaching the **margin of excellence** needed in the U.S.

This is everybody's job, but especially industry's.

Of course American business wants to help the colleges, so you were also right if you checked No. 1. College, after all, is business' best friend.

GIVE TO THE COLLEGE OF YOUR CHOICE.

SPECIAL TO CORPORATE OFFICERS—A new booklet, of particular interest if your company has not yet established an aid-to-education program. Write for:

"How to Aid Education—and Yourself"
Box 36, Times Square Station
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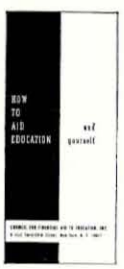

COUNCIL FOR FINANCIAL AID TO EDUCATION

ADVERTISING COUNCIL PUBLIC SERVICE

Published as a public service in cooperation with The Advertising Council and the Council for Financial Aid to Education

CN cuts the ribbon at its Toronto Yard

With the new automatic classification facility the railroad will now be able to cut yard time in half, and speed shipments.

Canadian National last week passed an important mile post in its current program of building a nationwide system of modern, automated freight yards and terminals. At ceremonies in Toronto, CN officially opened its $75 million Toronto Terminal Project—a 1,000-acre freight classification complex that can sort 5,000 cars daily. A 75-mile access route is part of the improvement.

CN President Donald N. Gordon told the gathering of government and railroad officials and other guests that "this yard represents a long-term investment in the future and represents an ultimate saving that will be measured in millions of dollars." He said the new facility has been described as "tomorrow's yard today. We are trying to make the whole Canadian National System ready for tomorrow."

• **The latest technology.** Toronto Yard is a highly advanced freight-handling facility. It is the fourth major automatic yard opened by CN in the past three years. Assisting to control the over-all yard operation are an analog computer, radar, teletype machines, talk-back speakers, private line telephones and seven radio systems.

There are 158 miles of trackage in the yard, including 20 tracks for receiving freight trains, 121 tracks for classification of through trains and transfer of local trains, and two yards of six and seven tracks for departures. The yard's standing capacity is 11,000 cars.

Cars moving over the yard's humps are sorted by a combination of automatic switching, exterior retarding and the "master-minding" of the analog computer. Retarder operators, however, can over-rule the computer-directed sorting.

Also contained in the yard are a car maintenance shop, motive power maintenance facilities, a car cleaning plant and maintenance of way yard. Piggyback facilities are planned for the future.

• **Other phases of the project.** An important part of the Toronto development was the construction of an access line to the yard from Burlington in the west to Pickering in the east, a distance of 75 miles. The job involved 138 miles of track, 53 bridges and grade separations, the movement of 9 million cubic yards of earth, and placement of 925,000 cubic yards of subballast and ballast.

It was necessary to create the new access line because of the existing radial pattern of railroad lines into the center of the city. The new line passes around the perimeter of the city, cutting across these lines.

The Toronto Yard will bolster CN car-handling operations at Moncton, Montreal and Winnipeg. By cutting freight car yard time in half, it will speed shipments over the CN system. Operations at the new facility will take the pressure off other Toronto terminals, which include six mainline subdivisions and all branches, spurs, yards and other facilities within a radius of 10 miles of Union Station.

• **The side effects.** Creation of the Toronto Yard has had a far-reaching influence on the immediate area. CN's older downtown yards are no longer needed and are now free for redevelopment purposes. Near the yard itself, industrial development is moving ahead at a fast pace.

East of the Toronto Yard is Vaughan Acres, a 600-acre industrial park, of which CN owns 250 acres. The railroad is actively promoting industrial development of the site, and thus far eight firms have located or purchased property there. ■

CN's Toronto Yard, looking north. Standing capacity: 11,000 cars.

Loomis calls for streamlining federal transport policies

AAR President Daniel P. Loomis took a strong swing at existing government transportation policies last week, likening them to "a gold-plated automobile with five wheels, all of unequal sizes, and as many separate driving positions."

Loomis made his remarks at the 49th annual meeting of the National Industrial Conference Board in New York.

He said the present transport policies "form an unreliable vehicle for carrying America into the dynamically expanding economic era envisioned by President Johnson for his Great Society." Loomis said it will take far-reaching legislation by Congress to correct the situation.

The rail industry's top executive charged that the inequalities of the present policies hit the railroad hardest. He singled out the provision of public transport facilities to certain commercial carriers free or at below-cost charges as a prime example.

"We must all recognize that the nation will never get the ultimate in either train services or over-all transportation under present public policies.

"That railroads have survived at all in the face of unequal government policies is a glowing testament to the basic resilience and economy of railroading," he said. ■

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1801
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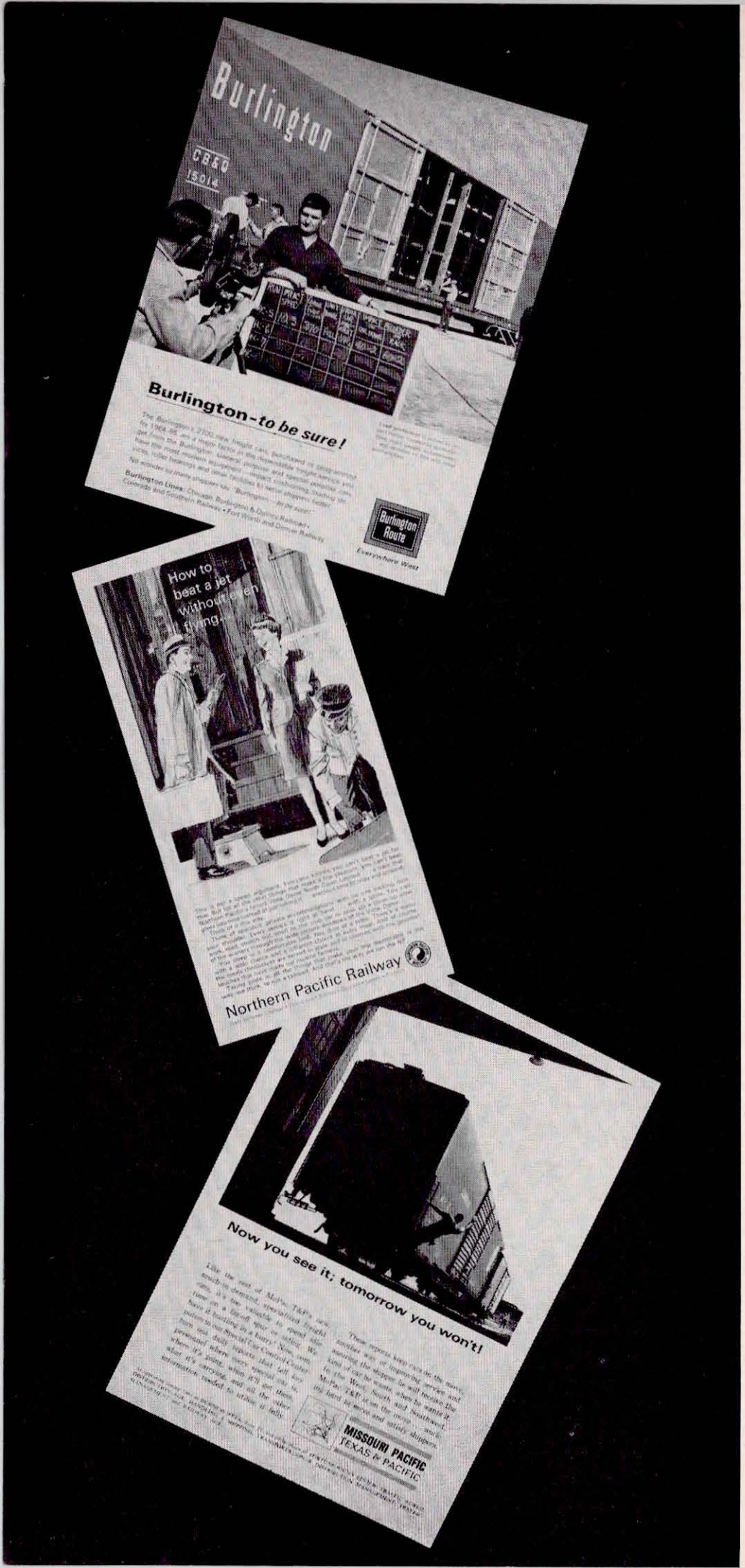


Railroad ads: Better—but fewer

There's evidence, however, that an upturn may be on the way as more roads come to regard advertising as a key marketing element.

With more to talk about and more money in the till, railroads may be heading into an upswing era in advertising.

It's true that, as a whole, the industry is spending far less on advertising than it did 10 years ago. It's also true that several of the top-spending roads are cutting back somewhat this year, compared with 1964. But enough other companies are adding enough dollars to ad budgets to indicate that there may be an upturn in the making.

● **The 10-year story:** Railroads aren't the world's most enthusiastic advertisers. Ten years ago, all Class 1 roads combined spent $26.8 million for advertising—as measured by the expenses charged to ICC Account 353. In 1963, the total was all the way down to $18.5 million.

With these somewhat depressing figures in mind, why the optimism that railroad advertising will pick up? It's simply because certain of the top ad-conscious roads *are* boosting budgets and because certain managements *are* coming to regard advertising as an essential link in the research-marketing-sales promotion chain.

And there's further grounds for encouragement: While ads have been getting fewer, they've also been getting better.

● **Ups and downs.** A Railway Age survey of companies that rank among the leaders in advertising shows that:

—Slightly more than 50% of the roads replying will be spending more in 1965 for advertising than they did

in '64. About 30% of the roads covered are cutting back, and the rest are holding steady at last year's levels.

—While total industry ad expenditures are well below the figures for a decade ago, just about half the roads replying say their expenditures in 1964 and/or 1965 exceed 1955 totals.

The survey also turned up a few industry trends—some predictable, some not. And it seemed to establish one point clearly—that the only real pattern in railroad advertising is the lack of a pattern.

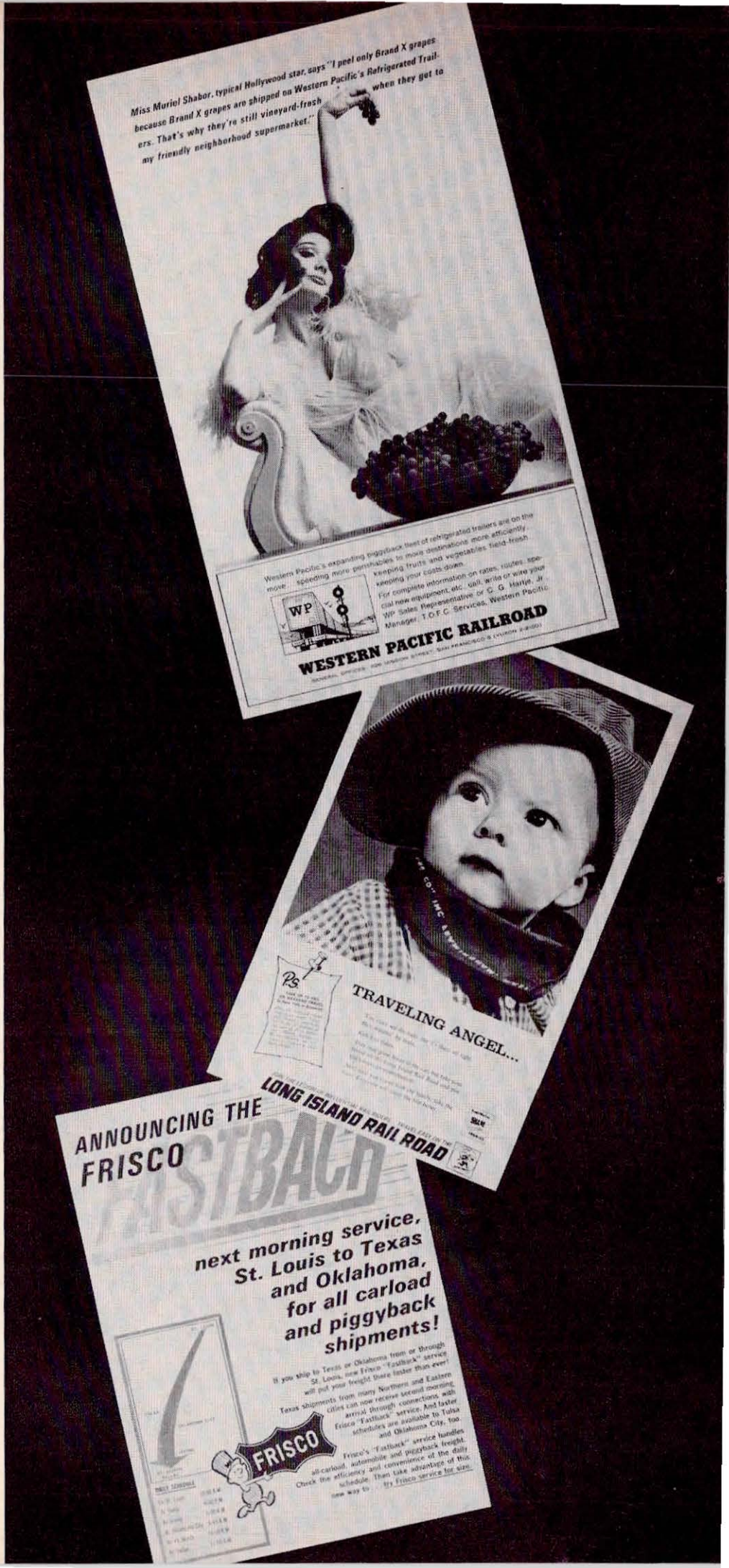
● **Freight vs passenger.** Take, for an example, the matter of expense distribution between freight and passenger advertising. Between 1955 and 1963, passenger ad expense dropped from $17.9 million to $8.5 million, while freight advertising showed a slight increase—from $8.9 million 10 years ago to $9.9 million in '63. But, while a majority of the roads participating in the Railway Age survey followed this trend line, close to 20% actually report passenger advertising as taking a somewhat bigger share of the total ad expense, or say the freight-passenger proportions hadn't changed over the decade.

Then there was the matter of media choice—and the answers provided will gladden the hearts of trade and business magazine publishers and radio station owners, nobody else. Comparing 1964 spending with 1955 figures, railroads are giving less of their ad budgets to newspapers, consumer magazines and—perhaps surprisingly—television. Of the roads replying to the survey, 54% say newspapers are getting a lesser proportion of the total, 54% say the same thing about consumer magazines—and six of seven companies using television report a drop in the percentage going to TV.

● **On the upside:** Trade and business publications, meanwhile, get a pretty strong confidence vote. Close to 70% of the participating railroads say these magazines are getting a bigger share of the total than they did 10 years ago—and only 15% note a shift in the other direction. Ad men are a bit less firm on radio—55% cite an increased emphasis, 45% say they're using radio less.

The most violent swings in advertising policy over the decade, of course, have taken place in the freight-vs-passenger proportions. Of 16 companies giving specific figures on the expense split, five are devoting more than 90% of their advertising dollars to freight and nine are in the 50%-and-up category. Main exception—no surprise—is the Long Island, which has rather consistently put 95% of its effort behind passenger advertising.

● **Passenger—still strong.** Santa Fe,


Miss Muriel Shabor, typical Hollywood star, says "I peel only Brand X grapes because Brand X grapes are shipped on Western Pacific's Refrigerated Trailers. That's why they're still vineyard-fresh when they get to my friendly neighborhood supermarket."
WESTERN PACIFIC RAILROAD
TRAVELING ANGEL...
ANNOUNCING THE FRISCO FASTBACK
LONG ISLAND RAIL ROAD
next morning service, St. Louis to Texas and Oklahoma, for all carload and piggyback shipments!
FRISCO

Ad managers put the dollars where the potential!

Union Pacific, Great Northern, Northern Pacific, Burlington, Seaboard Air Line, Atlantic Coast Line are still strong in the passenger area, either in terms of absolute dollars or of proportion. But UP now spends a majority of its ad dollars on freight, GN is approaching the 50-50 mark and, among other roads, wide shifts in emphasis are common. One company, for example, spent 60% on freight 10 years ago—and 95% today. Another went from 17% freight in 1955 to better than 99% this year. Still a third road, always heavily freight-oriented, now gives 100% of budget to freight advertising—even though it still has a number of passenger trains operating.

Ad managers use different words to tell why they've made the change in emphasis—but it all comes down to one major point: They're putting the dollars where the potential is, and that's in freight and industrial advertising, as things shape up now.

● **Why the media shift?** The decline in passenger service probably can be held accountable for a good part of the pullback from newspaper and consumer magazine advertising. But there are other factors—all relating to the ring of the cash register—and several of the railroad ad managers weren't shy about specifics:

—Says one ad director, who has substantially stepped up business-magazine advertising: "A greater percentage of our advertising dollar is going into media that are read by people who can bring industry into our area and by people who are really responsible for the routing of freight."

—From a second ad-man comes a comment that "our principal target is now the comparatively small group who determine or influence the routing of freight—hence, our expanding use of media aimed at traffic men."

—Still a third advertising manager says the increased emphasis on freight-service copy "has resulted in greater dependence on transportation trade and business publications. These, we feel, are more efficient and economical than other mass media for our program."

—The matter of economy also got strong comment from two other ad men. "Reductions in budget and increasing media costs," says one, "have forced omission of television, reduction in radio and greater selectivity in magazines used." Another ad director puts it even more bluntly: "With a 60% decrease in the advertising dollar, all institutional freight advertising has been adandoned in favor of trade publications read by transportation and distribution executives."

● **Those ad trends:** The outlook, most ad men agree, is for present trends to continue over the next five years or so. They see emphasis going even more heavily to freight advertising. And they see media choice getting an even closer scrutiny.

One of the questions that management always asks at budget time, however, will also still be this: What does advertising produce, and how can you prove it? Railway Age put the same question to the ad directors—and found they've done their homework.

The top ten—now and then

Here's the rundown on the leaders in railroad advertising—as measured by expenditures reported under ICC Account 353—for last year and 10 years ago:

1964	1955
Over $1 million	
Santa Fe	Union Pacific
Union Pacific	Santa Fe
Great Northern	New York Central
Norfolk & Western	Southern Pacific
Southern	Great Northern
	Pennsylvania
	Baltimore & Ohio
Under $1 million	
Northern Pacific	Milwaukee
Burlington	Northern Pacific
Chesapeake & Ohio	Norfolk & Western
Atlantic Coast Line	
Southern Pacific	

● **Here's proof:** The question posed was this: "What measurements have you found to assess productivity of advertising efforts?" And these were some of the replies:

—"In non-consumer products, there are few if any reliable guides to advertising effectiveness. Reader inquiries sent on by magazines are a help. Correspondence from readers is a help. But, in general, there remain too many variables in industrial-type advertising to justify statistical relationships. So, our media decisions are based in large measure on our own continuing studies of publication editorial content and our judgment as to the attractiveness of that content to the audience we want to reach."

—"The only accurate measurement remains the cash register. However, this measures only our over-all effectiveness, and for assessment of particular ads or campaigns we must depend mainly on reports from our salesmen as to reactions they have received in personal contacts.

—"As a general rule, it is not possible to accurately measure productivity of an advertising effort. Even when revenues are declining, advertising can be effective. However, in special instances, where advertising highlights a special train or a special tour, it is possible to physically note the results. Tests have been successfully tried in these limited areas, and we have been satisfied that advertising has resulted in increased patronage."

—"The effect of advertising and sales promotion in improving freight traffic and revenues is difficult to measure on a railroad. Occasionally, however, a specific program—such as the Missouri Pacific-Texas & Pacific advertising of incentive rates on frozen foods—produces results that can be measured."

—Great Northern, which ran a concentrated campaign on LCL, cites a "substantial increase in tonnage"—another reflection of that close relationship that has to exist between advertising and what it produces.

● **How about dollars?** So the ad men are pretty much convinced that advertising, properly executed and placed, can show tangible results. Where there is less agreement—or so the records would indicate—is in the area of expenditures: How much is enough, and is there any particular relationship which ad spending should bear to total operating revenues?

For the past five or six years, three roads—Santa Fe, Union Pacific and Great Northern—have been the top three companies in railroad advertising (based on Account 353 figures). Generally speaking, major western and southeastern carriers have been spending between ¼ and ½ of 1% of total operating revenues on advertising—and it's when ratios are figured on this basis that rankings can get a bit scrambled.

● **Who's strong in advertising?** In two years between 1959 and 1963, for example, Northern Pacific edged into the top three on an ad-expense-to-revenues ratio basis. The same period shows a strengthening of ad programs from the Southeast and Pocahontas

roads—both in total dollars budgeted and in the maintenance of a consistently high ratio of expense to revenues.

While western and southeastern lines have been coming on strong, however, eastern roads have been fading back in the field. A look at the Account 353 figures for 1955 and 1964 shows that only six of the top 10 roads in '55 were still there in '64—and, of the four roads which didn't appear on the list last year, three were eastern lines. The "replacements" in the top 10 in 1964 were Southern, Burlington, Chesapeake & Ohio and Atlantic Coast Line. And, while ATSF, UP and GN were 1-2-3 again in '64, Norfolk & Western (barely on the list 10 years ago) vaulted into the fourth spot and Southern held down fifth.

● **Why the changes?** A number of factors bear on these rankings and what's happened to them—the postwar growth of the South and Southeast, the need by roads in these areas and in the West to compete for traffic in eastern markets, the relative lack of prosperity and available dollars for advertising in the East. And now a new factor has turned up—the ad program recently undertaken by the AAR.

The Association campaign, at present, is not an unlimited one. Six insertions have been authorized—three have appeared, three more will be placed to run through October. AAR's program, costing about $750,000, is designed to hit an audience estimated at more than 18 million—all via magazines. Emphasis is on news and business magazines; transportation, education and journalism trade publications and certain consumer magazines.

● **The unknown factors:** The effect of this program on railroad advertising generally, however, will probably depend on two things: Whether the AAR continues advertising after the six insertions are made; and whether the copy emphasis stays pretty much the same.

One railroad's ad man is candid in his size-up of the situation as it relates to the AAR campaign. Such a program, he says, takes a load off individual roads which have felt an obligation for industry-image advertising—and thus more attention may be given to promoting the specific services of the company itself.

Even the advertising of specific services, however, is coming to be a tough proposition—and it'll probably get even tougher. One ad director says:

"It used to be that we would develop an edge, in new equipment, for example. We'd work with shippers and suppliers and come up with a new design, sometimes a wholly new type of car. We could promote it hard—and there would be a certain time lag before other roads would have the equipment. Now, though, everybody has just about everything—and we're in the position of having to advertise the new equipment first and then shift pretty quickly into promotion of the quantity of equipment we have and its availability. Everybody may have the same car—but we try to develop a theme of 'Think of us first'."

● **Imagery at work.** One of the devices that certain roads have adopted—particularly those whose advertising is concentrated in mass media—is the corporate-image character. Santa Fe, for instance, has been using Chico, the little Indian boy, since about 1944 and has brought him on strong since the mid-1950s. And there's not much doubt that Chico has helped mightily in making "Santa Fe, all the way" one of the best known of railroad slogans. Similarly, Great Northern has made good use of Rocky, the mountain goat. And Long Island, of course, has Dashing Dan, the commutin' man.

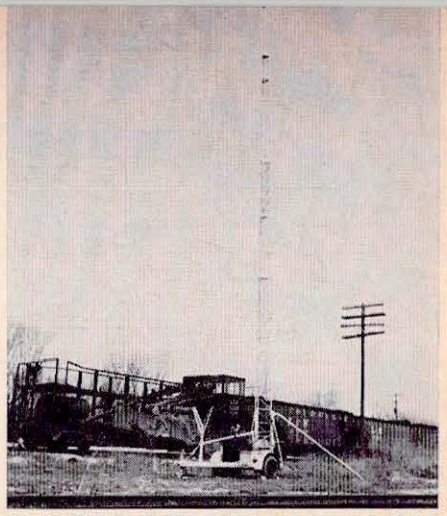
(Long Island, incidentally, also has one of the more offbeat success stories in rail advertising. LIRR ran an ad titled "All Aboard," which featured a poem written by an agency man. LIRR had the words set to music by folk singer Oscar Brand for a radio commercial—and then the fun started: "A day or so after the song debuted on the NBC and CBS radio stations, we got a couple of phone requests for recordings. A few days later, we tallied about a dozen requests. So we took a flyer and had 500 45-rpm records pressed, setting a 50-cent price, including postage. Listeners to the radio commercials were told of the offer—and in a few weeks we had mailed out 175 records at 50 cents and had sold another 100 over the desk to employees for 25 cents. We've recovered the records' cost and turned a small profit on them so far—and orders are still coming in.")

● **And for the future?** Railroad advertising can have its whimsical side—the image characters and Long Island's fling at the record-selling business. But it's mostly a serious thing, and one that the ad managers of major roads take absolutely seriously. Nobody has any real quarrel with the quality of rail advertising—copy and layout have improved steadily, and emphasis has become more pointed. The problem is in the battle of the budget—and the old, oft-repeated question: Is it enough? ■

Pullman-Standard advertising wins award

Outstanding advertising in 1964 earned a Railway Age citation for Pullman-Standard. The award, based upon advertising impact researched by Mills Shepard, independent readership survey-tabulating service, was given to Waldie and Briggs, P-S advertising agency that created and executed the winning advertisement. From left, J. R. Thompson, Railway Age vice president, watched as Dudley N. Rockwell, account executive at Waldie and Briggs, accepts award from Robert G. Lewis, publisher of Railway Age. At Lewis' left are J. J Stallman, P-S advertising manager, and E. Preston Calvert, P-S vice president and director of public relations.

1—GANG FOREMAN initiates call to locomotive engineer of approaching train to learn how much longer he can work before clearing track for the train.



2—MOBILE REPEATER picks up foreman's call, transmits it to engineer.

How L&N uses radio repeaters to

The road has equipped its maintenance gangs with mobile radio repeating units. This enables its foremen to reduce train delays and to get more production time for the men and machines.

The stopping of trains because of track and bridge work is expected soon to be a rare occurrence on the Louisville & Nashville. This is because the road is, in general, equipping its track and bridge gangs with mobile radio repeaters. These units also will increase the production of the maintenance gangs. Gangs already having the radio repeaters have been able to obtain from 10 minutes to a half hour more working time for each train passing through their work sites.

● **Covers greater distance.** The mobile radio repeater is produced by Motorola Communications & Electronics, Inc. It increases the distance over which a foreman can communicate with the locomotive engineer of an approaching train. Through such extended coverage, the engineer advises the foreman of the train's location. With this information the foreman can determine more closely the time he must stop work and get his machines in the clear so as not to delay the train.

The foreman and engineer remain in radio contact. Should the train be delayed, the foreman can be told. This enables him to gain more production time. Also, should the track remain obstructed, or a piece of track equipment be derailed, the engineer can be advised before reaching the designated mile-post. In any event, he must stop at the designated mile-post unless he has been told by the foreman that the track is clear.

From the operating man's viewpoint, the use of radio flagging will mean fewer delays and stopping of trains, explains M. R. Williams, L&N's engineer communications-system. Also train crews can be quickly notified of sticking brakes, dragging rigging, hotboxes, protruding lading, broken wheels and defective trucks, whenever such conditions are observed by the M/W gangs.

● **Adds to working time.** From the trackman's point of view, says J. E. Gloster, L&N's engineer maintenance of way, radio flagging releases the two men ordinarily used for gang protection for more productive work in the gang. More importantly, it increases the time that machines and men can occupy the track. The road reasons that, if a 20-man gang can gain only 10 minutes more on-track time for each passing train, 3 1/3 productive man-hours are realized. When multiplied by the 8 to 10 trains passing through a gang each working day, 30 or more man-hours are gained.

Other safety features

The radio repeaters can be effective in preventing a serious bridge burn-out and possible accident. For example, should an engineer notice a fire on a bridge, he can notify a track gang by radio. As a result the fire may be extinguished while it is still in its early stage. Train crews can also avert accidents by radioing track gangs whenever large joint gaps or broken rails are encountered.

● **Radio range was limited.** The use of radio for communication between M/W foremen and engineers of trains is not new on the L&N. The foremen have had hand-carried radio sets for some time. But, due largely to the rough terrain through which the L&N operates, the range of these sets was limited to about one to two miles at most locations.

This did not permit enough advance notice for a foreman to clear the track of his equipment without delaying trains. This brought about the need for the foreman to keep in touch with the dispatcher by telephone so as to know when the track had to be cleared to avoid stopping the approaching train. However, this practice made inroads in the working time and did not give maximum benefits from the use of radios.

More powerful radio sets mounted on a truck were used by some gangs. Although this proved to be better, it had the disadvantage of tying the truck to the gang. This led to the idea of using mobile repeaters, which avoid the need for additional trucks when the use of radio was expanded for flagging purposes.

The radio repeater extends the range to a minimum of 10 miles and, under favorable conditions, up to 30 miles. The repeater is mounted on a two-wheel trailer so it can be hauled by a foreman's truck and temporarily set at a point where reception is most favorable.

● **Antenna is 50 feet high.** About 30 minutes is required to set up the

3—ENGINEER on approaching train hears foreman's call. He can converse with foreman on a frequency which repeater converts to that of latter's set.

speed track work

mobile radio repeater station by the man placing it. The single antenna is mounted on top of a three-section telescoping tower that is raised from its retracted horizontal position on the carrier to the vertical by a hand-operated winch. When in its vertical position, the antenna is at a height of 50 feet. The tubular outrigger arms and three guys, extending from the upper two sections to screw-type ground anchors, stabilize the tower in its raised position. The unit requires no attendance and the equipment housing is kept closed with a switch padlock. Where practical, it is left in place several days.

The relay equipment consists of two Motorola Motrac railroad battery-powered two-way repeaters (model U43-HHT-1100E-SP2). The batteries are recharged at night by connecting a 12-volt charger to any convenient a-c line or by a portable generator.

● **Special train order issued.** L&N practice is for the gang foreman to secure authority from his division engineer for radio flagging. When approved, he must contact the dispatcher before 6:00 pm of the day preceding the use of radio flagging and give the information necessary to issue a Form "W" train order. Form "W," which is in addition to the regular train orders given train crews, stipulates the date and hours that it will be in effect. It also orders northward trains to approach a Conditional Stop track sign at a specified mile-post, and southward trains at another mile-post, and be prepared to stop. Trains cannot pass the designated points until notified by the gang foreman by radio, or in person, that the track is clear.

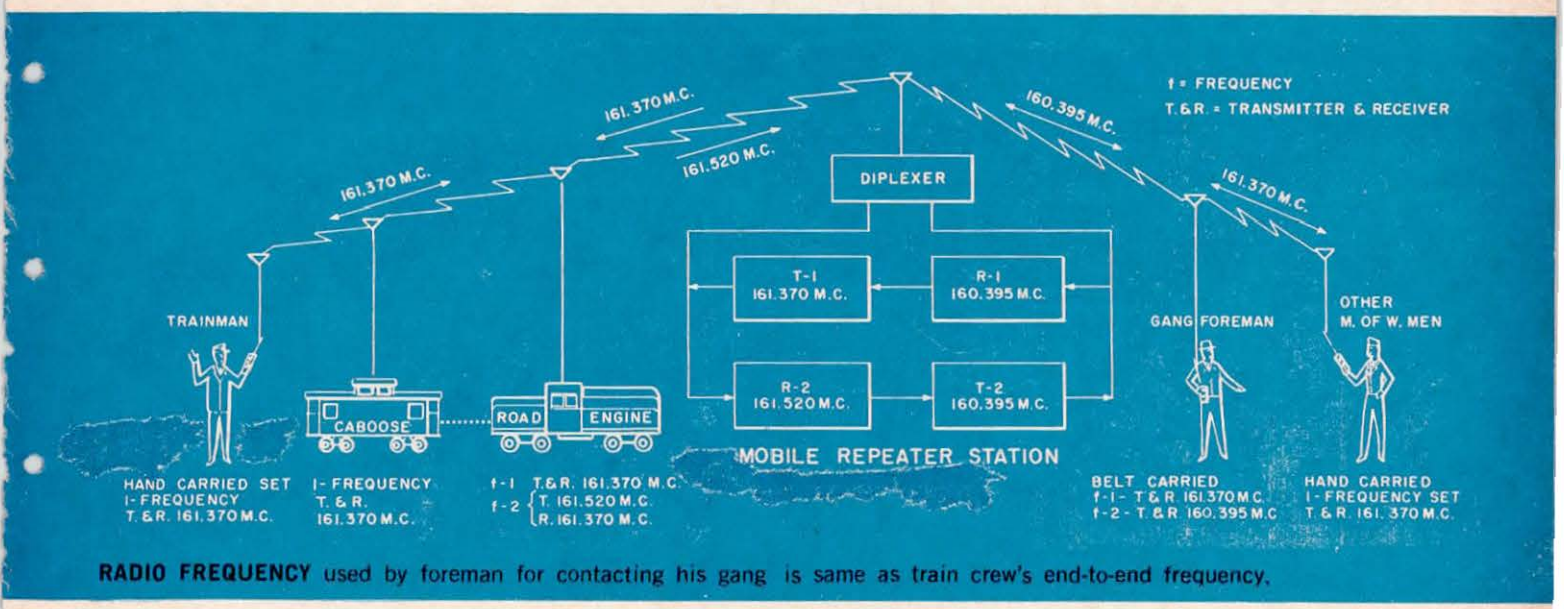
Each Form "W" order is valid only for the day and time specified. A new order must be issued for each day. Should the gang foremen work longer than the hours designated, he must then flag by hand according to the standard book of rules.

● **Track signs mark work site.** On the day that the Form "W" train order goes into effect, the gang foreman must plant a Conditional Stop track sign at each of the designated mile-posts on the engineer's side. He must also erect a Reduce Speed sign at least 1½ miles (7,920 feet) in advance of the location of the Conditional Stop sign. He cannot obstruct the track until these signs are erected.

The Reduce Speed sign, a diamond-shaped board mounted on a metal staff, is painted yellow with horizontal white stripes. The Conditional Stop sign is a rectangular board painted red with diagonal white stripes. Trains passing the Reduce Speed sign must immediately reduce speed and be prepared to stop at the Conditional Stop sign unless advised in advance by the foreman over the radio that the track is clear.

● **Several frequencies used.** The gang foreman has a belt-carried Handie Talkie radio set that has two frequencies, both of which permit him to transmit and receive. His set is normally set for 161.370 megacycles, the same as that used on the Handie-Talkie sets

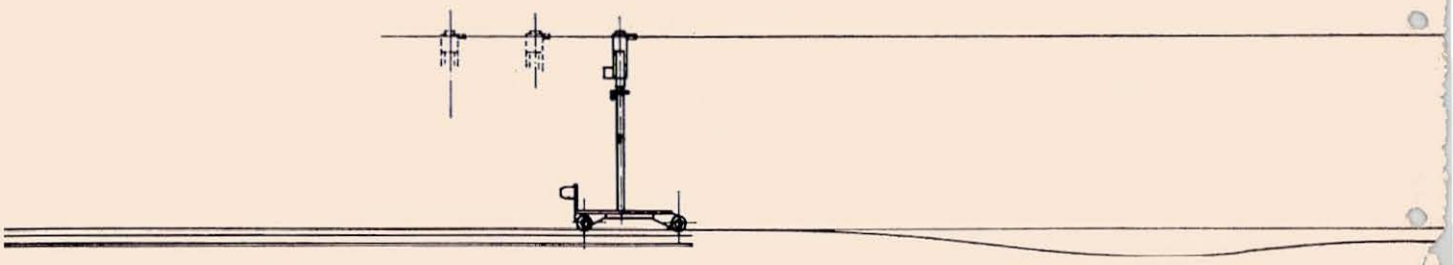
(Continued on page 26)



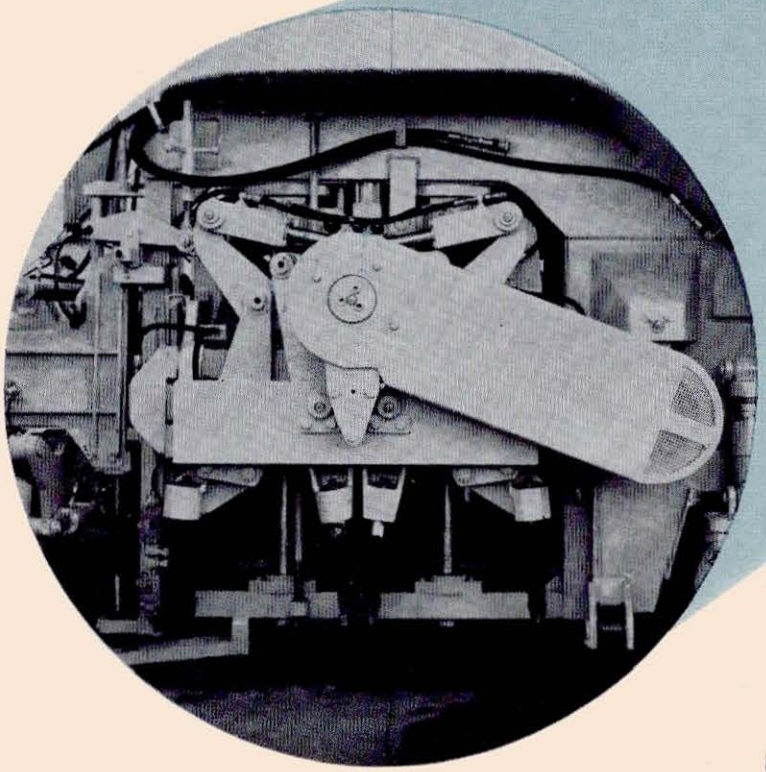
RADIO FREQUENCY used by foreman for contacting his gang is same as train crew's end-to-end frequency.

STARTING A NEW CHAPTER IN TRACK MAINTENANCE

Double your production —



The Plasser Duomatic 06-32L not only lifts, levels and tamps the track, two ties at a time, but it also makes corrections in alignmen t— automatically.



YOU CAN HAVE THE 32-TOOL TAMPING HEAD FITTED INTO YOUR PLASSERMATIC VKR-05 AS MACHINES, AND THE AUTOMATIC LINING DEVICE CAN BE BUILT INTO ALL VKR-05 AND 04 MACHINES.

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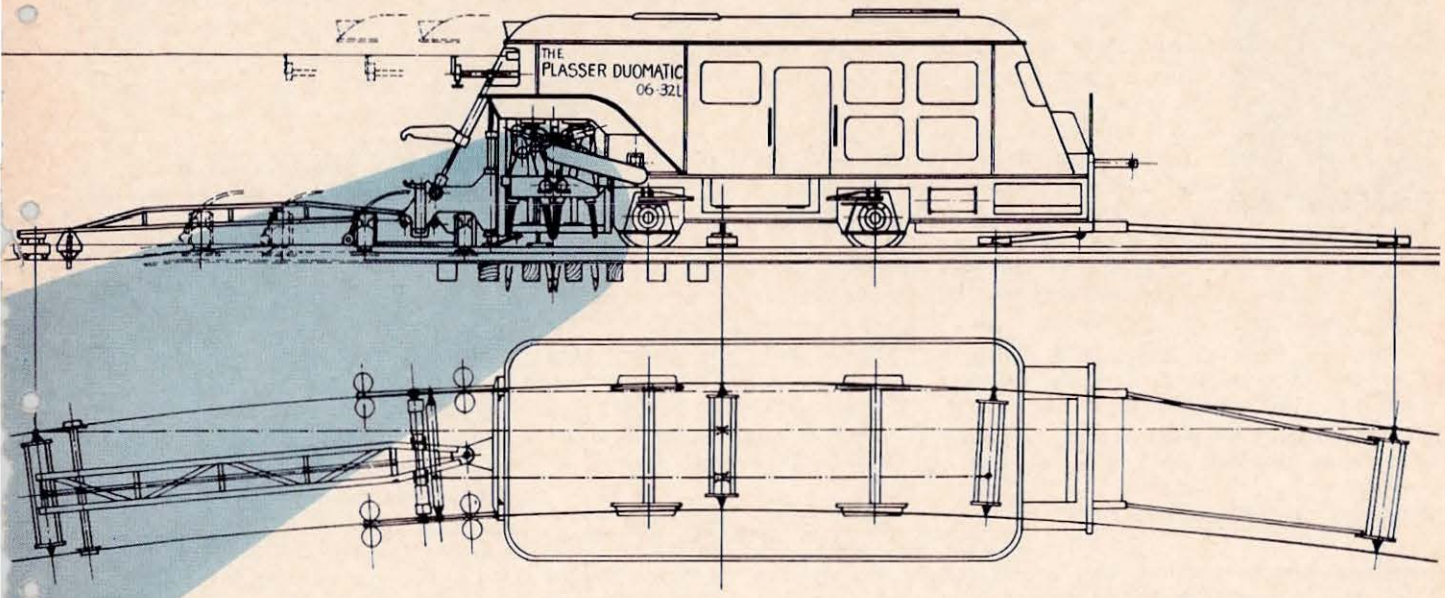
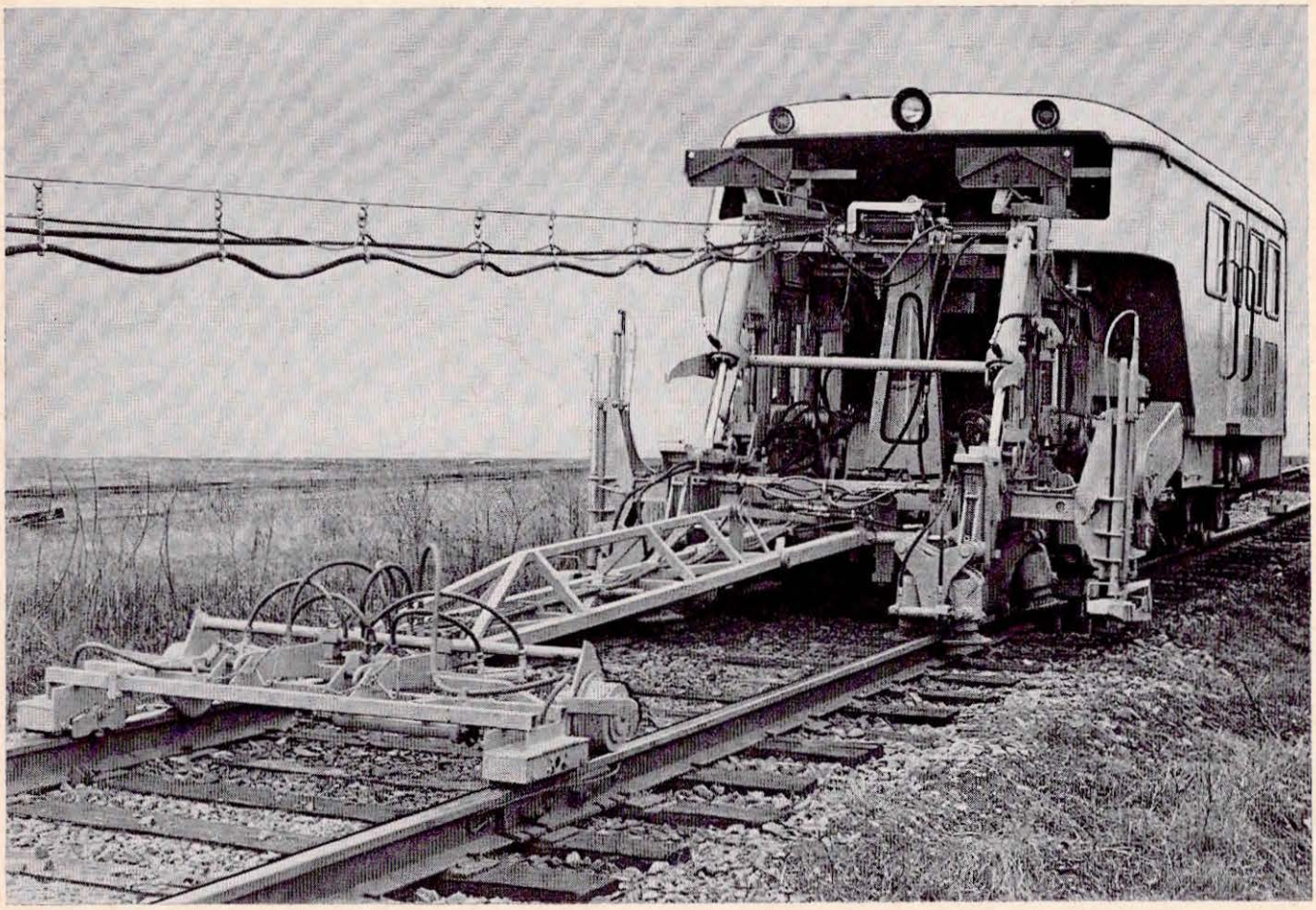
WITH THE PLASSER DUOMATIC 06-32L

tamp two ties simultaneously with 32 tools



The lining device on the Plasser Duomatic 06-32L is based on the same principle used by the AL 203 Automatic Liner. Known as the Two Chords Method the system has been proved on more than 100 machines. Tangent tracks, curves and transition curves are aligned automatically in one pass.

The track is shifted simultaneously while being lifted, and the shifting is done by lining cylinders carried by a supporter on the front end of the machine. With this device track may be lined at night. If desired you can have a graphical recording of the cross level and alignment.



RAILROADING AFTER HOURS WITH JIM LYNE

LYNE

THE RIGHT WORD—As to the question raised—whether there is a single word, meaning to travel by train, to parallel *drive* (travel by auto) or *fly* (travel by a plane), a number of suggestions have come along.

One writer would simply use the word train (e.g., we trained from St. Louis to Chicago). Another (an industrial traffic manager) says that *entrain* would serve the purpose. This word, usually, means to board a train, but our friend says it can just as well mean to ride a train.

Some of the suggestions were facetious. For example, one unidentified railroader from Baltimore, says that the word we are looking for is *deadhead* (just as if the only train riders were traveling on passes).

Anyhow, the answer to this question belongs to the committee of the Railway Magazine Editors Association which is working to improve railroad terminology, and I cheerfully pass it along for them to answer.

Before the auto and planes came along, the words *go* and *come* implied train travel, but they no longer have that meaning, most of the time. When the need for a new word arises, the term quickly appears—e.g., piggyback—whether it is the ideal or not. One thing, at least, discussion of this kind has diminished the use of the term "retarder yard" (which does not retard cars, but expedites them).

BIGGEST TRAINLESS TOWN?—It was an unanswerable question—to ask what is the largest city without railroad passenger service—because, first, it is necessary to agree on whether the term "city" means such independent communities as Portland, Me.; Fall River and New Bedford, Mass.; or should include separate municipalities adjacent to metropolitan centers.

The point is that there are several important cities that have no railroad passenger service, and seem to be doing at least fairly well without it. And they're not likely to have such services restored until civic leaders decide it is needed, and establish conditions which will enable railroads to operate such service profitably.

And, at the same time, there are many larger cities which must have this service, if there is any possible way of continuing (and even expanding it). All of which shows there's no such thing as a "passenger problem," but scores of them—each differing from the others, and varying from railroad to railroad and from city to city.

PHYSICS FAVORS RAILROADS—In a recent issue of the Michigan Business Review (Ann Arbor), Cleland B. Wyllie reminds us that the National Academy of Sciences had found that, "the propulsive resistance of 50 net tons of freight on the railroads at 40 mph is only 6 lb per ton"—compared with 31.7 lb per ton for 15 tons on the highway.

Wyllie points out that it is not the laws of physics that are working against the railroads, but man-made laws (i.e., an unbalanced national transportation policy). He also reminds us that, back in 1958, Examiner Hosmer foresaw that sleeping and parlor car service might well disappear in 1965. A number of big railroads seem not to have taken this prediction seriously.

ARE RAILROADS MILITARY?—I have had friendly discussion with some railroaders as to whether the railroads are run on a military pattern or not. My thought has been that, while they probably started out that way, the development of regulation and unionism has considerably altered the pattern. It is not easy to imagine a commanding general, many of whose decisions, before they could be acted on, would have to be agreed to by labor organizations or regulators. Under a regime of private enterprise, the head of a company could scarcely expect to have the authority possessed by a general in the field.

All the same, a close connection between military and railroad people could well be of mutual advantage—taking account of the fact that a lot of highly trained military men have a lot of time on their hands in peacetime; and the better they become acquainted with the details of railroading, the better for both parties. Isn't it a misfortune that the Army Engineers have got themselves so deeply involved in river operations—whereas there is, naturally, a much closer connection between the military and the railroads, than between military operations and river work?

L&N speeds its track work

(Continued from page 23)

furnished to operators of the larger machines in his gang. This frequency enables the foreman to coordinate all activities of the gang, which may be spread out over a distance of one or two miles.

The other frequency of his set is 160.395 megacycles. That is the one he uses, by merely flipping a switch, to talk with engineers of approaching trains. The 160.395-mc frequency is received by the mobile repeater and by means of a diplexer is converted and transmitted on a frequency of 161.370 mc. The radio set on the locomotive receives on this frequency, which is the same as that on end-to-end radio sets of the train crew. Consequently, the engineer can always hear the call of the gang foreman if he is within the required broadcasting range.

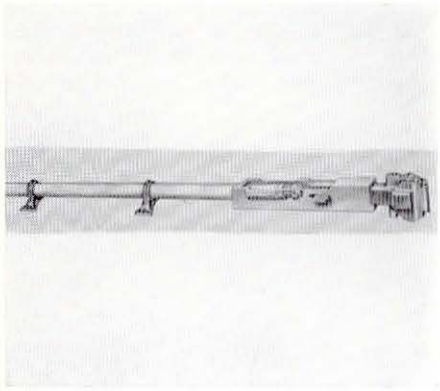
To converse with the gang foreman, however, the engineer must throw a switch on his set which still lets him receive on the 161.370-mc frequency but transmits on a frequency of 161.520 mc. The mobile repeater receives this frequency and converts and transmits it to 160.395 mc, the same as that of the gang foreman. If the repeater loses its power, the foreman could still converse with the engineer when the train comes within the power range of his set. The arrangement of frequencies used makes it possible to receive and transmit signals over a single antenna at the repeater station.

The foreman usually contacts the dispatcher several times a day to keep informed of trains that can be expected during his work hours. This he does through wayside telephones, available about every mile.

• **Began use last winter.** The L&N put its first mobile repeater into use on Dec. 14, 1964, on its Cincinnati division. It is now acquiring additional units and intends to have a total of 24 mobile trailer-type repeaters and 5 of the skid type. The latter are for use by bridge gangs which work at the same location for a considerable period.

As the repeater units are acquired, they will be assigned to tie and surfacing gangs, smoothing gangs, a rail gang and bridge gangs, where necessary. The sets will be maintained by communication forces at the road's radio shops at strategic points over the system. Spare sets will also be acquired so they can be plugged in to replace failed sets. ■

NEW PRODUCTS REPORT

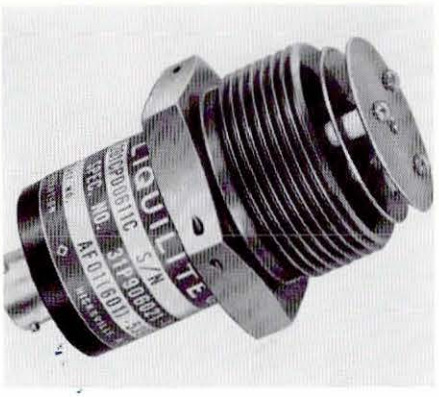


Hydraulic Cushioning (RA-1)

The cushion units of the new Barber hydraulic cushion system, which combines two Oleo hydropneumatic units with the standard Barber Cushion-Tube arrangement, are applied in the same manner as draft gears. The hydropneumatic unit, as supplied, is filled with oil and compressed gas. Under impact, plunger is forced into cylinder, displacing oil from oil chamber through orifice into oil reservoir contained in hollow plunger. Flow of oil, controlled by a tapered metering pin, displaces floating separator piston against column of compressed gas in the gas chamber, compressing it to a high pressure. After impact, high-pressure air acting on separator returns oil from reservoir to oil chamber, extending unit to its original length. Travel in buff is 10½ in.; draft, 5 in. Design of the cushion units is such that when force is removed, the piston returns almost instantly to neutral position after full-closure action. System meets AAR dynamic squeeze requirements of 14 mph and all other requirements of AAR specifications for cushioned cars. *Standard Car Truck Co.*

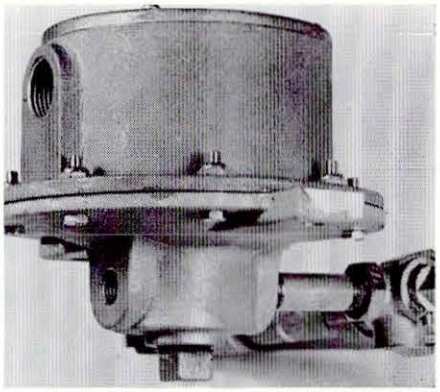
Structural Steel (RA-5)

A nickel-copper-columbium steel having a yield strength of 90,000 psi with very low carbon content, is said to be superior to high-strength, alloy steels of 0.10 to 0.25% carbon. Mechanical properties are largely independent of section size. The age-hardening Ni-Cu-Cb steel, developed for applications requiring high-strength, lightweight plate and sheet, is under consideration for freight-car ends and truck and trailer frames. *International Nickel Co.*



Liquid Level Indicator (RA-2)

The Model 201CPD Liquilite is a liquid-level sensing and control system. Its alarm lamp provides remote indication, instantly or with up to 60 sec delay, to prevent false indication due to slosh or temporary surges of liquids in tanks or pipelines having temperatures between —65 and 300 deg F. A solid-state relay operates high power loads or indicator lamps up to 3 amp. Life expectancy is said to exceed 100,000 hr. *Controlotron Corp.*



Water-Level Alarm (RA-3)

The Ogontz low-water-level alarm for diesel locomotives operates on a difference of 2 in. in water level. Switch automatically idles or stops engine when water level becomes too low. A vent connection keeps the diaphragm assembly from being subjected to high pressure when system is being filled. Switch has no pivots or floats. A connection allows diaphragm to be drained, and a test cock permits testing without draining system. *Ogontz Controls Co.*

Aluminum Alloy (RA-4)

Alloy 5011, said to be suited for transportation equipment, has a fatigue strength (Krouse test) of 10,000 psi; an ultimate strength of 37,000 to 40,000 psi; a yield strength of 33,000 to 36,000 psi; a minimum bend diameter of 4T 90 to 180 deg; and elongation properties of 3 to 6% (in 2 in.). It is available in H-19 and H-38 tempers, with bright or mill finish, and in coil or cut-to-length sheets from ½ to 49 in. wide. *Howe Sound Aluminum.*

RAILWAY AGE WEEKLY

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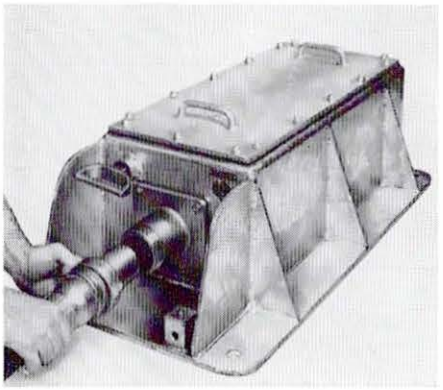
NEW PRODUCTS REPORT

Brush Cutter (RA-6)

A new truck-mounted brush cutter with an optional rail wheel attachment that allows its use on track has been developed. Mounted on an 8½- or 12-ton self-propelled carrier, the truck-mounted brush cutter uses a 7-foot-diameter revolving cutter on a telescoping boom to cut brush 25 feet on each side of the truck center line.

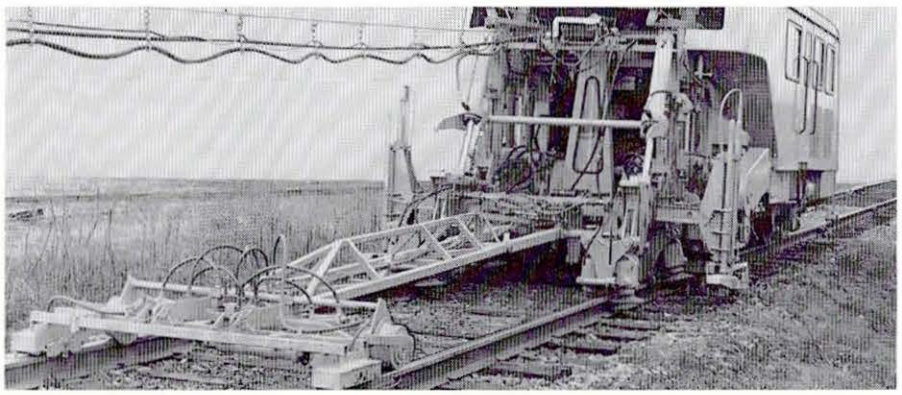
The manufacturer states that the telescoping boom can be swung 307 degrees and the cutting head can be maneuvered to adapt itself for cutting in varying terrain. Large trees can be cut as well as light brush.

Where traffic is heavy, the rail highway brush cutter can operate from the track shoulder, a service road or suitable terrain. Off-track, it is operated by two men—one to drive and steer and the other to control the cutter head. Where rail traffic permits, it can be operated from the rails. Remote controls for one-man on-track operation are optional. *Railway Maintenance Corp.*



Load Centers (RA-7)

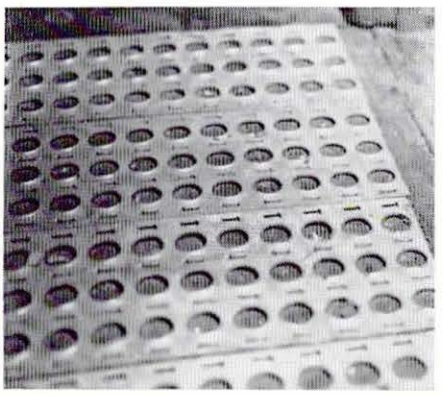
Load centers, rated at 100 to 600 amp—240 to 600 VAC, 250VDC, are engineered specifically for on-site distribution of power in remote locations. They are said to withstand abuse from heavy equipment, weather, temporary flooding and corrosive atmosphere and meet MIL-023641 (CG) requirements. Built-in safety features permit their functioning without hazard to personnel unfamiliar with their operation. *Anderson Power Products Inc.*



Tamper/Liner (RA-8)

The Plasser Duomatic O6-32L tamps two ties simultaneously and also makes corrections in alignment at the same time. The machine has two fully hydraulic 16-tool tamping heads designed to tamp adjacent ties at the same time. Corrections in surface are made by two pairs of roller lifting units which are automatically controlled by an electronic beam "sighting" system similar to those furnished for earlier models of Plasser tampers. The measuring and the correction of alignment are done automatically in one pass, permitting the entire operation of the machine—raising, tamping and lining—to be handled by a single operator. It is said that the lining device functions on tangent track, curves and transition curves.

The tamping head of the Plasser Duomatic 06-32L can be fitted into all Plassermatic VKR-05 AS machines now in service, according to the manufacturer. *Plasser Railway Maintenance Corp.*

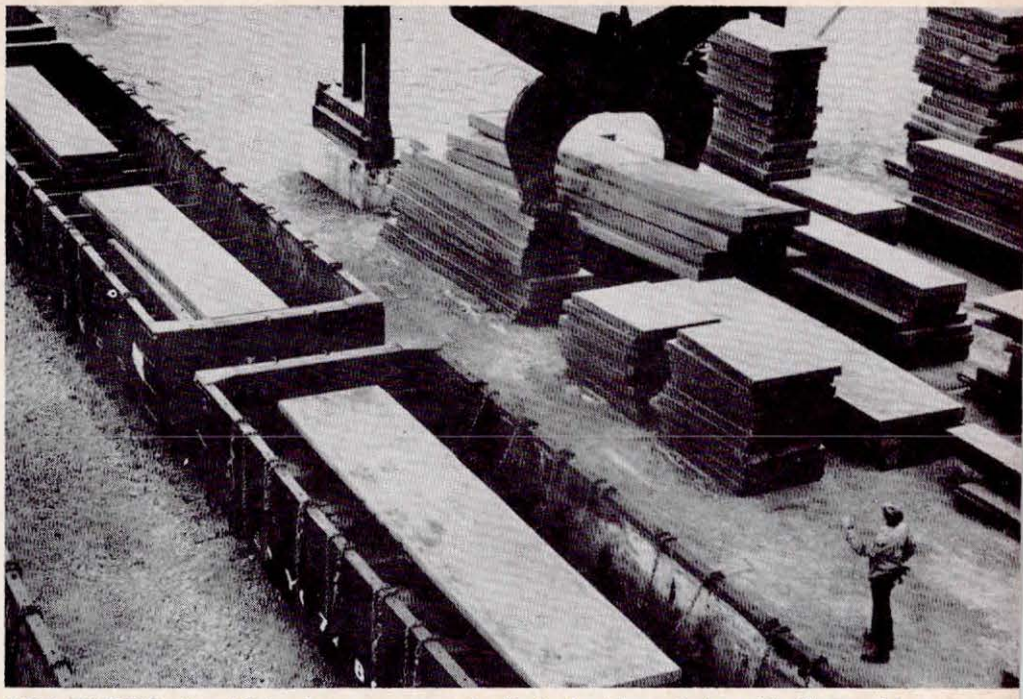


Steel Flooring (RA-9)

Gang-Nail Protector Plates of 14-gage galvanized-steel are said to form a surface which binds wood fibers together to prevent running splits which occur through the use of nailed blocking, strapping and dunnage. Stamping sizes are 4¼ in. x 12 in., or multiples of 12 in. in the 4¼-in. width; and 6 x 12 in., or multiples of 12 in. in the 6-in. width. Plates may also be used at door openings or for patching. *Automated Building Components.*

Hot slabs move in NYC unit train

Road's marketing emphasizes 'total distribution' concept.



HOT TRAFFIC, the high-volume movement of steel slabs, starts with the rapid loading of the 80-car unit train, which then makes high-speed 500-mile run.

An 80-car unit train which is an integral link in the coordinated production of two steel mills made its first run early this month. The commodity being handled is hot steel slabs which originate at the Lackawanna plant of Bethlehem Steel near Buffalo, N.Y., and are moved to Bethlehem's new Burns Harbor plant in northern Indiana, east of Gary.

Details of the new service were revealed by NYC President A. E. Perlman at the road's recent annual meeting in Cleveland. He termed the new service "of far-reaching significance," predicting that this type of unit-train operation for the steel industry would be as successful as the NYC's unit coal trains.

● **Total distribution concept.** Perlman referred to the new steel service as an example of the "total distribution concept" employed by the road's marketing department. There are metal industries specialists in the department.

"In the development of the Bethlehem service," Perlman said, "Central functioned in a consultative capacity, relating transportation to customer need during, as well as before and after, production.

"By shipping slabs via unit train," Perlman explained, "we minimize the delay factor traditional in non-integrated production. As a link in the production line, the railroad helps give Bethlehem's Burns Harbor plant direct access to the Chicago-oriented steel market."

● **New facility.** The $350-million Burns Harbor plant, currently the largest industrial expansion project in the U.S., has no steel-making furnaces of its own. Its plate mill, cold-rolled-sheet and tinplate mill and hot-sheet mill will produce 1.9 million tons of finished steel per year from the Lackawanna shipments.

The Burns Harbor plant entered the first phase of integrated production with the Lackawanna plant with the delivery of the first 80-car unit train. The 500-mile trip between the two mills is scheduled to be made in just over 16 hours, bypassing all yards en route. There is no change of motive power; a fueling stop is necessary.

Since November 1964 NYC has been transporting an average of 6,000 tons (100 cars) of hot slabs a week from Lackawanna to Burns Harbor. These shipments have been stockpiled initially at the Indiana finishing plant. The unit-train service will involve the delivering of incoming slabs directly into the production process. Two unit trains per week are now being regularly scheduled; three were operated last week. NYC anticipates that it may soon be operating a daily service.

● **Unit-train rate.** The rate established for the new service incorporates the normal unit-train provisions. This calls for 80 cars, 5,600 tons, to be moved in each shipment. Loading and unloading are to be completed within 24 hours, from 7 a.m., following the train's arrival.

The slabs, which emerge from the Lackawanna mill at 2,400 degrees F, are allowed to cool to between 900 and 1,200 degrees before loading in the cars. They are still warm when they arrive at Burns Harbor. At both ends of the run the slabs are handled by overhead cranes fitted with tongs. Because steel looses its magnetic qualities at elevated temperatures, magnets cannot be used for handling.

● **Special equipment.** At present, the NYC has 275 gondolas equipped for the slab haul. Each car is fitted with special crossbeams and tie-down chains. The crossbeams provide insulation for the slabs. The anchor chains keep the loads from shifting during the run.

The cars are standard steel-floor gondolas. The NYC mechanical department looked into the possibility of insulating the cars, subsequently discarding the idea. Tests showed that the air insulation created by the crossmembers under the load effectively cuts the flow of heat to car floors and trucks.

The cars were rebuilt at the NYC shop in Beech Grove, Ind. They are the first units of a fleet which NYC says can eventually be considerably larger as the traffic expands.

● **Major traffic source.** Developments at Burns Harbor promise to give the NYC a steadily growing inbound and outbound traffic. In addition to the 3,300-acre Bethlehem development, Midwest Steel is also interested in the site. NYC is relocating 3 miles of main line and planning construction of a 15-track receiving yard and a 30-track classification yard to serve the area. The Chicago South Shore & South Bend is also aiming to participate in the Burns Harbor development.

Bethlehem has no immediate plans for providing steel melting facilities at Burns Harbor. Economics of the unit train service to the facility and development of Midwest markets will probably be carefully studied by the firm's management. The unit train could well become a permanent feature of the Indiana operation. At least one other steel company considering expansion in a new area is reported already looking at a similar service. ■

Why Burlington bought a mountain

Damage caused by rampaging Mississippi River created a need for massive amounts of rock and dirt fill.

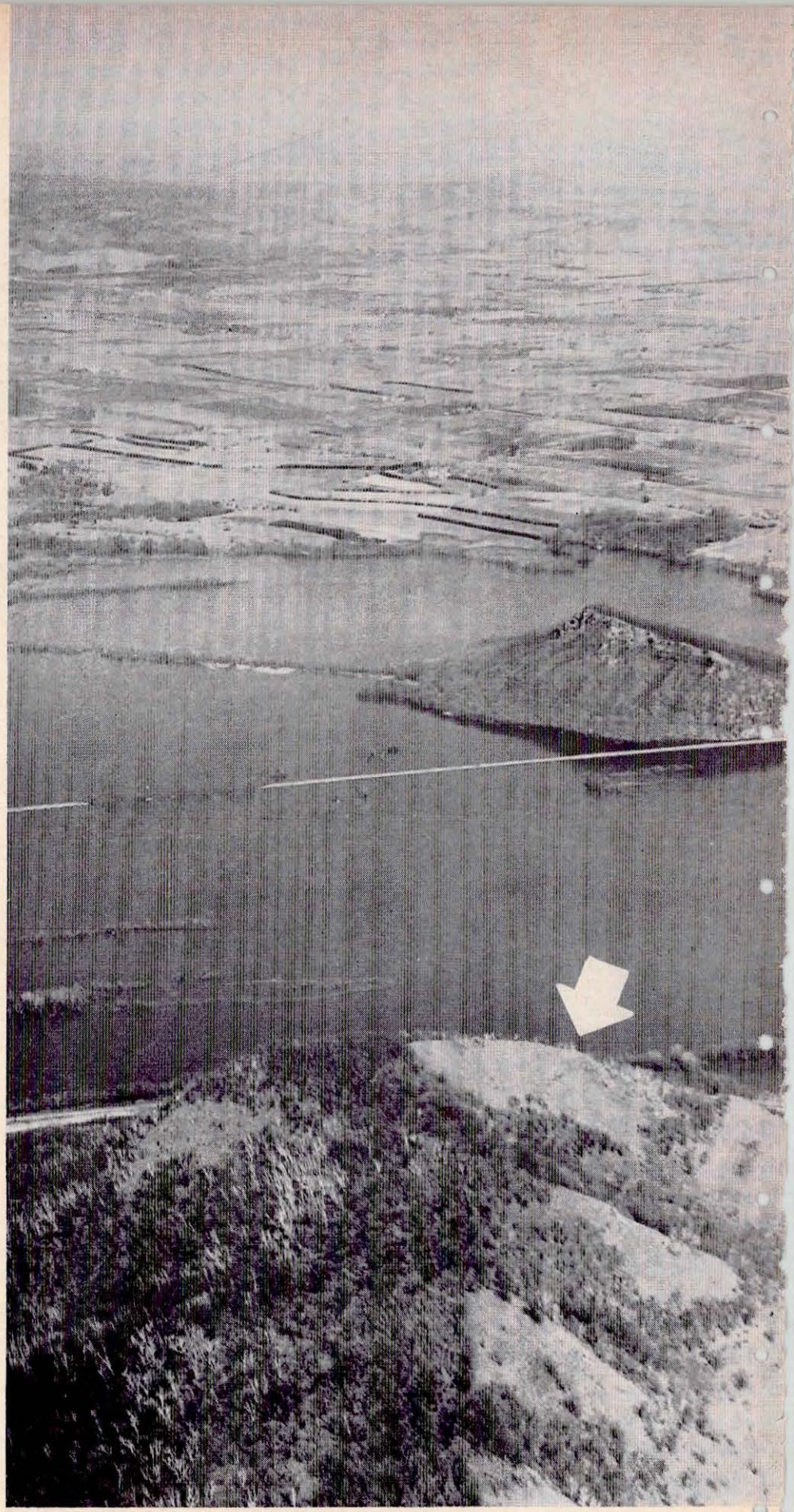
Burlington is tearing down a mountain to rebuild a railroad.

When the Mississippi River went on its record flood rampage last month, CB&Q's route between Chicago and Minneapolis-St. Paul was ripped to pieces at a number of points where it parallels the river. Some of the holes ripped in the right-of-way were 1,800 feet long and 30 feet deep. Massive doses of rock and dirt fill were needed —so Burlington bought part of Trempealeau Mountain from the state of Wisconsin.

● **Dynamiting begins.** The mountain is, or was, part of the Mississippi Palisade chain of bluffs and ridges adjacent to the road's line along the east bank of the river. Burlington moved in quickly with blasting crews —and the mountain started giving itself up to the railroad.

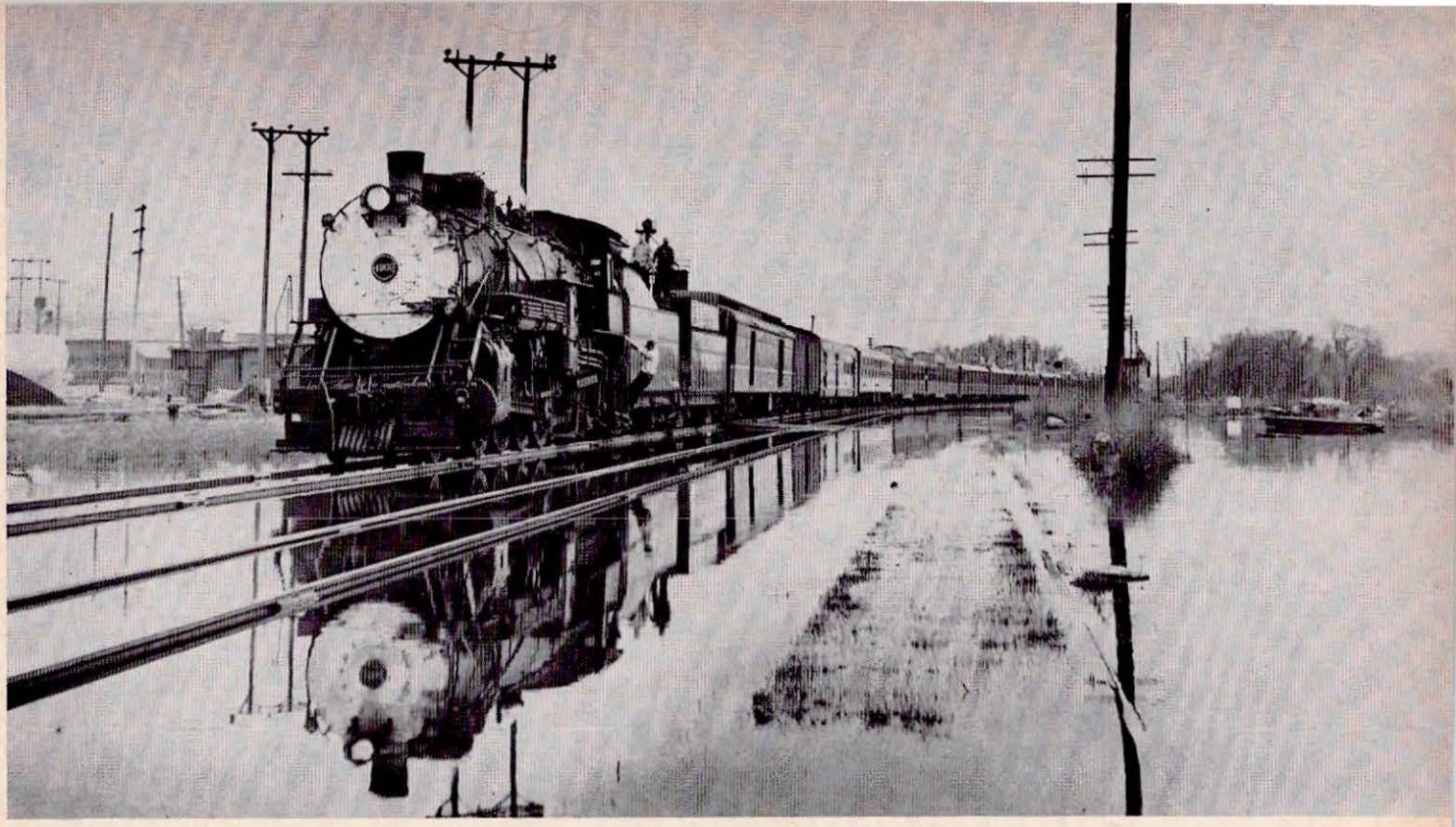
CB&Q's freight and passenger service between Chicago and the Twin Cities resumed May 1, via a detour around that part of the line requiring major rebuilding. By May 15, the road once again had its operations back to normal, over newly reconstructed line.

Meanwhile, as the rebuilding was under way near East Winona, one of the few flood-associated personal tragedies hit, as four men took a boat out for an inspection of the job. The boat's engine died, and the swift current swept the craft toward one of the breaks in the rail line. Three men, including Assistant Vice President—Operations I. C. Ethington; a master carpenter and an assistant B&B foreman, got safely ashore—but a fourth man, employed by a contractor, died when the boat then overturned. ■



Taking to the hills to shore up a line

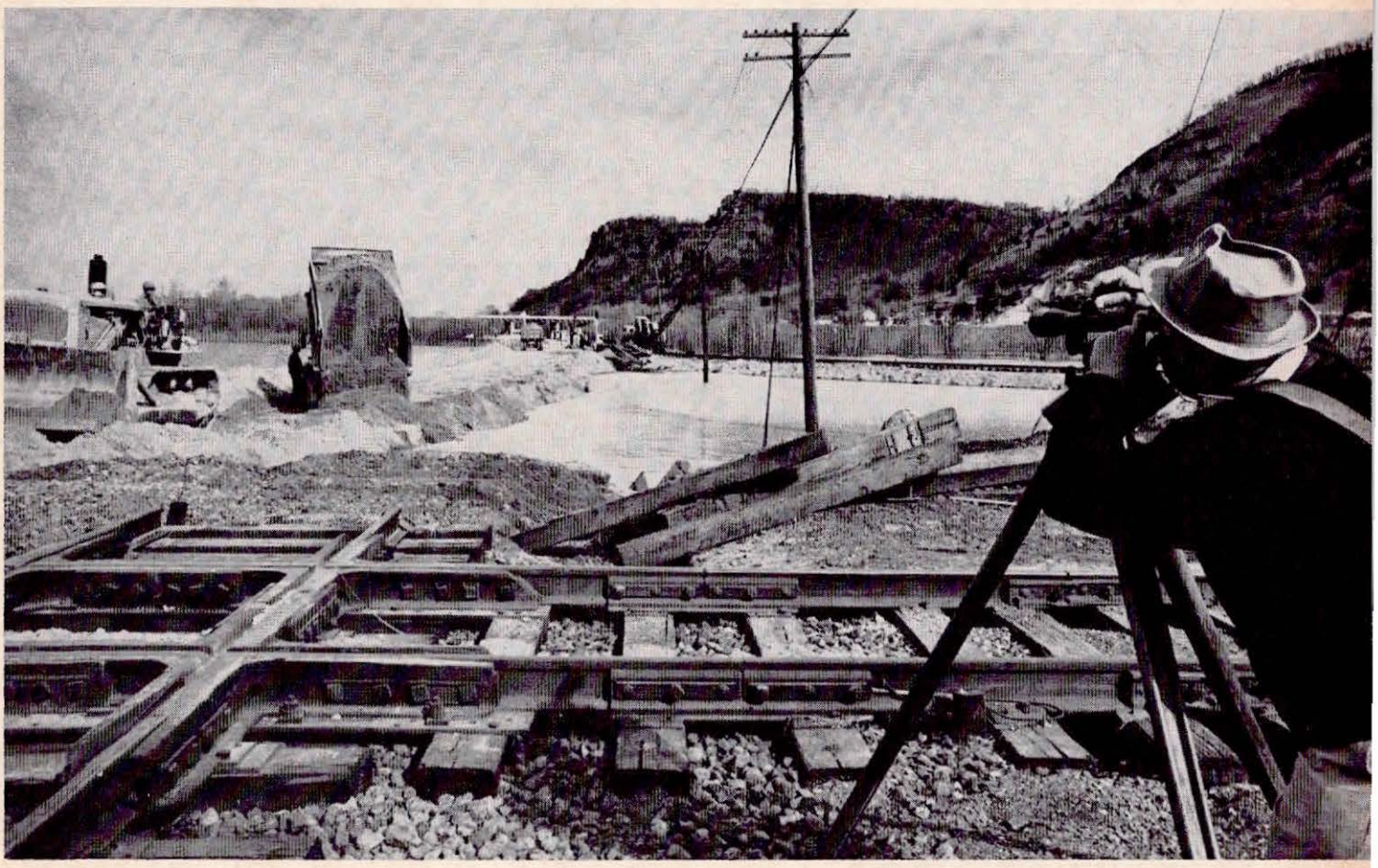
Trempealeau Mountain (arrow) was bought by Burlington as a source of rock and dirt fill for rebuilding flood-wrecked line (center).



Burlington's No. 4960, a 1923-vintage 2-8-2 locomotive, chugs over flooded tracks near Savanna, Ill., where diesels feared to tread. The steamer towed freight and passenger trains through flooded areas.

More than one way to keep the trains running

One of Burlington's major rebuild jobs was in the Winona, Wis., area. While crews worked to reconstruct washed-out line, the road resumed service between Chicago and the Twin Cities over a new link.



The tug-of-war over the CSS&SB goes on

The Chicago road favors C&O's bid for control, but Monon isn't giving up without a fight. The ICC will now decide the case.

The script—at least at the start—reads something like the old David-and-Goliath story, with Monon playing David and Chesapeake & Ohio the towering giant. But this particular battle—for control of Chicago South Shore & South Bend—will be decided by the ICC, not by swords or rocks, and so the ending is unwritten and unpredictable.

Both Monon and C&O have filed control petitions with the Commission; both have said why they want South Shore. And both already own substantial blocks of CSS&SB stock, about 154,000 shares by C&O and 60,000 shares by Monon, out of a total of 313,498 shares of South Shore common outstanding.

● **South Shore backs C&O.** CSS&SB's board of directors is supporting C&O's proposal—by unanimous resolution and through petition filed with the ICC. But Monon isn't giving up—despite the fact that South Shore is solidly in the C&O camp.

CSS&SB President W. P. Coliton emphasizes that the C&O plan does not involve "merger or acquisition of assets, where a small railroad is swallowed up by a larger railroad and loses its identity. This is a simple control transaction, in which C&O will own a majority of the stock of the South Shore. The South Shore will continue to exist and to operate as a separate railroad."

(C&O acquired control of Baltimore & Ohio in much the same manner. Merger is contemplated later in that case, and it's considered likely that the eventual outcome of C&O-CSS&SB—if control is approved—will be merger.)

● **Problems of competition.** Coliton's pro-C&O arguments are based largely on South Shore's problems in competing with much larger eastern systems: "The major, large combined systems now make unit-train arrangements at low rates with large bulk shippers. . . . They do this by offering pools of special-purpose cars of large size. They are able to finance cars such as these. We are not. The shipper naturally goes for the lower rate. We are cut out. Since we cannot offer the large unit trains of these special-purpose cars, we lose the business to the huge systems. In order to continue maintenance of service, including passenger service, we must have new large and specialized equipment. We do not have the financial ability to do this ourselves. Being a part of a strong system like C&O-B&O is our only solution."

CSS&SB's president also plays up the industrial angle. South Shore, he says, is located in one of the nation's fastest-growing industrial areas — but has its problems in locating major plants on-line. As trunk lines continue to merge, Coliton declares, "the competitive handicaps continue to multiply, to the point where the time will soon come when the South Shore cannot compete for freight against the large eastern systems. Affiliation with the C&O family, which has a highly successful industrial-development organization, will not only strengthen South Shore but will also enable us to contribute in a more substantial way to the further industrial growth of this area."

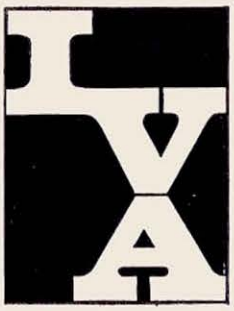
As for preservation of CSS&SB commuter service, Coliton calls C&O control "the best prospect in sight. . . . We had hoped that the Urban Mass Transportation Act of 1964 might provide an answer to at least part of this very serious problem, but as yet we have been unable to find a means of taking advantage of its provisions."

● **Monon fires back.** Monon, meanwhile, wants to control South Shore for one of the same reasons South Shore wants to be controlled by C&O—to muster strength against competition of much larger systems.

In its application, Monon stresses the point that it "is in need of additional traffic and such traffic would be made available if, through control of the South Shore, it were enabled to improve its access to the industries along the southern end of Lake Michigan in the area served by South Shore but not by Monon. The urgency of Monon's need for additional traffic is pointed up by the fact that if the Dixie Line [Louisville & Nashville] extends its rails to Chicago over the eastern portion of Chicago & Eastern Illinois, as authorized by the Commission [in the Missouri Pacific-C&EI control case] . . . Monon's revenues on such traffic now interchanged with Dixie Line at Louisville will be reduced by more than $1.8 million annually."

● **The transit angle:** In addition, Monon President W. C. Coleman points out, "certain of the executives and directors of Monon have had long and successful experience in operating the transit systems of Milwaukee, Indianapolis and Louisville. In each of these cities, by reason of efficiencies and capable management, privately owned transit systems are operating profitably and have retained and attracted riders. If South Shore is under the control of Monon, this skill and experience in transit operations will be available for the benefit of the entire population area served by the South Shore passenger service."

While the verbal sparring goes on—and while Monon and C&O prepare to go before the Commission—acquisition of South Shore stock by the contestants has come to a halt. Both roads are under a Commission caution that purchases might be construed as a violation of the Interstate Commerce Act. ■



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MARKET OUTLOOK

Carloadings

Loadings of revenue freight in the week ended May 15 totaled 601,655 cars, the Association of American Railroads announced on May 20. This was an increase of 2,921 cars, or 0.5%, compared with the previous week; an increase of 18,550 cars, or 3.2%, compared with the corresponding week last year; and an increase of 593 cars, or 0.1%, compared with the equivalent 1963 week. Ton-miles generated by carloadings in the week ended May 15 are estimated at 13.8 billion, an increase of 6.1% over the corresponding week of 1964, and 8.3% over the 1963 week.

REVENUE FREIGHT CARLOADINGS
For the week ended Saturday, May 15

District	1965	1964	1963
Eastern, including Allegheny and Pocahontas ..	246,003	238,545	247,333
Southern	123,483	114,184	113,836
Total Eastern and Southern Districts	369,486	352,729	361,169
Northwestern .	79,873	82,369	85,253
Central Western	113,879	111,278	114,961
Southwestern .	38,417	36,729	39,679
Total Western Districts	232,169	230,376	239,893
Total All Roads	601,655	583,105	601,062
Commodities:			
Grain and Grain products	45,148	41,089	50,831
Livestock	2,018	2,307	2,836
Coal	111,741	111,063	112,023
Coke	8,707	7,890	8,740
Forest Products	39,400	38,908	37,058
Ore	50,438	56,718	50,353
Merchandise l.c.l.	9,768	12,924	17,481
Miscellaneous .	334,435	312,206	321,740
May 15	601,655	583,105	601,062
May 8	598,734	573,108	598,876
May 1	600,672	560,003	591,210
Apr. 24	578,712	565,643	577,024
Apr. 17	555,162	576,343	561,261
Cumulative total, 20 weeks	10,879,005	10,609,142	10,630,647
Estimated revenue ton-miles (billions- 20 weeks	256.4	245.5	230.4

PIGGYBACK CARLOADINGS.— U. S. piggyback loadings for the week ended May 8 totaled 19,964 cars, compared with 17,252 for the corresponding 1964 week. Loadings for 1965 up to May 8 totaled 356,542 cars, compared with 306,863 for the corresponding period of 1964.

IN CANADA. — Carloadings for the nine-day period ended April 30 totaled 99,218 cars, compared with 60,207 for the previous seven-day period, according to the Dominion Bureau of Statistics.

	Revenue Cars Loaded	Total Cars Rec'd from Connections
Totals for Canada		
April 30, 1965	99,218	33,988
April 30, 1964	103,907	31,013
Cumulative Totals		
April 30, 1965	1,179,279	415,573
April 30, 1964	1,201,666	434,133

FREIGHT-TRAIN CARS

► *Rock Island.*—Will place orders for 2,046 new freight cars. On the list are 646 100-ton covered hopper cars, equipped with trough hatches; 1,000 general purpose box cars; 150 60-ft, 90-ton box cars equipped with cushion underframes and load protection devices; 100 flat-bottom gondolas; 100 50-ft, 70-ton box cars equipped with cushion underframes and load protection devices; and 50 50-ft, 70-ton insulated box cars equipped with cushion underframes. RI will also acquire 50 auto and truck racks for installation on flat cars and 10 steel radio-equipped cabooses. New authorizations bring RI's total car-acquisition program to 3,358 units for 1965.

► *Seaboard Air Line.*—Ordered 200 50½-ft, 70-ton cushioned underframe box cars from ACF at a cost exceeding $3.3 million. Deliveries are scheduled for fourth quarter.

► *Bad Order Ratio 0.5% Lower Than Last Year.*—Class I roads on April 1 owned 1,495,193 freight cars, 9,735 less than on April 1, 1964, according to AAR report summarized below. Bad Order Ratio was 0.5% lower than on April 1, 1964.

	April 1, 1965	April 1, 1964	Change
Car ownership	1,495,193	1,504,928	—9,735
Waiting repairs	86,173	95,066	—8,893
Repair ratio	5.8%	6.3%	—0.5%

LOCOMOTIVES

► *Rock Island.*—Will purchase 45 diesel-electric units, in addition to 20 units previously announced. Of the total of 65, 48 will be 2,500-hp road units, 17 will be yard switchers.

LOCOMOTIVES—FOREIGN

► *Australia.*—Hamersley Iron ordered three Century 628 2,750-hp diesel locomotives from Alco at a cost of more than $900,000. The three locomotives, said by Alco to be the heaviest and most powerful ever ordered for export, will be delivered to the Australian mining firm this summer.

NEW FACILITIES

► *Chicago & Eastern Illinois.*—Will have its EMD locomotives equipped with GRS intermittent inductive train control. An order for 8 sets of equipment was placed with General Railway Signal Co., by Electro-Motive Division of General Motors Co.

PURCHASES

► *Two Months' Purchases Down 0.4%.*—Purchases by domestic railroads of fuel, material and supplies in the first two months of this year were $1,042,000, or 0.4%, lower than in the comparable 1964 period. Purchase estimates in the following tables were prepared by Railway Age.

	February 1965	Two Months 1965	Two Months 1964
PURCHASES*	(000)	(000)	(000)
Rail	$ 6,894	$ 14,848	$ 9,358
Crossties	3,755	7,624	6,082
Other Material	81,899	161,722	163,526
Fuel	27,210	58,355	64,625
Total	$119,758	$242,549	$243,591

*Subject to revision.

YOU OUGHT TO KNOW

A roadblock for ACL-SAL: An appeal to the Supreme Court is likely in the Atlantic Coast Line-Seaboard merger case. On May 13, a special three-judge court in Jacksonville, Fla., turned down the ICC's approval of merger of the two roads. The case was returned to the Commission for reconsideration of various points involved, including closer scrutiny of anti-trust requirements.

Saving the public money: Southern President D.W. Brosnan told the road's stockholders' meeting last week that because "Congress continues to ignore the basic principles of our free enterprise system" the public is losing billions of dollars a year. "Railroads are still wating for Congress to act in the public interest and provide greater freedom of competition in transportation that will save people money," he said. "It (Congress) requires railroads to go through frustrating regulatory battles when they want to lower their charges." Turning to Southern's performance thus far this year, he said the road had revenues and earnings on the same high level as last year's first quarter. He predicted "another banner year for Southern and its territory" in 1965.

New ICC Practitioners' president: The Association of Interstate Commerce Commission Practitioners has elected Thomas O. Broker to head the organization. Broker is general counsel for the Norfolk & Western, and a founder member of the American Society of Traffic and Transportation.

Safety report: One person was killed in a train-service accident, and 112 were injured in train and train-service mishaps in March, according to the ICC. This compared with no fatalities and 116 injuries in March 1964. Twelve employees on duty were killed in March 1965 and 1,539 injured. This compared with 15 killed and 1,561 injured in March 1964.

Seaway traffic on the rocks: Severe ice conditions put the freeze on traffic on the St. Lawrence Seaway for the first part of the '65 season. On the Welland Canal, marine traffic for the opening month of April was 42% below the volume for the period last year. On the Montreal-Lake Ontario section, April traffic was down 11.7% from April '64.

Rails' efficiency key to future. A bright future for railroads was predicted by Mopac President Downing B. Jenks when he addressed the San Antonio Chamber of Commerce May 18. Citing the massive revitalization of U. S. railroads since World War II, Jenks said faster trains, new equipment and vastly improved fixed plant have enabled shippers to enjoy lower costs—with savings passed on to consumers. Emphasizing the lower costs which accompanied this revitalization, Jenks noted that average revenue per ton mile handled by rail has dropped steadily since 1958 and is now 13% under that level—despite a 7% increase in consumer prices in that period. He said, "Railroads will remain the backbone of America's transportation system, gaining in size and importance as the nation continues to grow."

Safety contest deadline: U.S. and Canadian railroads have until June 15 to submit entries in the National Safety Council's industrial safety awards program. Railroads who have made significant contributions to accident prevention for both employees and the general public must submit information and sample materials on their particular safety programs.

Employment up: Railroads had 637,901 employees in service at mid-April, the ICC's Bureau of Transport Economics and Statistics reports. That was an increase of 0.99% above March, but a drop of 6% below April 1964.

Truck tonnage: Intercity truck tonnage in the week ended May 8 was 0.6% below the volume for the previous week, and 8.3% over the volume for the corresponding week of 1964, according to American Trucking Associations.

Current statistics

Net income	
3 mos., 1965	$121,000,000
3 mos., 1964	133,000,000
Carloadings, revenue freight	
20 wks., 1965	10,879,005
20 wks., 1964	10,609,142
Freight cars on order	
April 1, 1965	36,491
April 1, 1964	36,219
Freight cars delivered	
3 mos., 1965	18,865
3 mos., 1964	17,300
Serviceable cars	
March 1, 1965	1,406,712
March 1, 1964	1,411,426

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C&O-B&O

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NYC

Henry W. Large
PRR

A. Paul Funkhouser
PRR

William A. Lashley
PRR

L. R. Thomas
Santa Fe

PEOPLE IN THE NEWS

CHESAPEAKE & OHIO—BALTIMORE & OHIO.—David A. Watts, Jr., assistant director of passenger services, B&O, Baltimore, appointed manager passenger marketing and sales, C&O-B&O.

NEW HAVEN.—John M. Finch, appointed assistant vice president of planning and research, New Haven, Conn. Mr. Finch has been assistant to **Frederick J. Orner,** vice president of planning and research.

NEW YORK CENTRAL.—Charles Loeber, administrative assistant, promoted to executive assistant, office of the president, New York.

NORTHERN PACIFIC.—K. H. Mullin, appraiser, Seattle, named assistant manager, industrial development, St. Paul.

PENNSYLVANIA.—Henry W. Large, vice president—sales, appointed vice president—traffic, succeeding **Fred Carpi,** who retires May 31. **A. Paul Funkhouser,** assistant vice president—coal traffic, appointed vice president—coal and ore traffic. **William A. Lashley,** assistant vice president—public relations, appointed vice president—public relations and advertising. All three appointments are effective June 1. Messrs. Large and Funkhouser will report to **Allen J. Greenough,** president, and Mr. Lashley will report to **Stuart T. Saunders,** chairman.

Robert W. Wilkins, coal sales manager, New York, appointed general coal traffic manager—sales, succeeding **W. Parker Stuart,** retired. **James P. Royston,** district sales manager, Milwaukee, Wis., appointed assistant coal and ore sales manager, Cleveland, succeeding **Donald W. Korn,** who replaces Mr. Wilkins at New York.

Vincent J. Floyd, freight sales manager, New York, appointed general manager of industrial development, Philadelphia, succeeding **R. Warren Grigg,** retired. **C. Robert Burr,** assistant vice president and sales manager, Chesapeake District, Baltimore, Md., named general manager—freight sales. Included in Mr. Burr's enlarged responsibilities will be the customer relations assignment of **Hobart H. Young,** also retiring. **G. H. Wolfinger,** sales manager, St. Louis, succeeds Mr. Burr.

SANTA FE.—L. R. Thomas, superintendent of communications systems, Chicago, appointed general superintendent of communications and signals there, to replace **J. A. Parkinson,** retired (RA, May 3, p. 37). Mr. Thomas' successor is **C. A. Crouch,** superintendent of communications, Coast Lines, Los Angeles. **M. D. Breeden,** communications engineer system, Chicago, becomes acting superintendent of communications, Coast Lines, Los Angeles (RA, May 3, p. 37). **J. A. McCulloch,** communications engineer, Topeka, Kans., named acting communications engineer system, Chicago. **M. D. Goddard,** assistant engineer, Coast Lines, appointed acting communications engineer, Eastern Lines, Topeka. **K. J. Levack,** equipment supervisor, Chicago, advanced to acting assistant engineer, Coast Lines, Los Angeles.

OBITUARY

John L. Amos, 62, freight pricing manager, **Western Pacific,** died May 8 at his home in Berkeley, Calif.

Thomas Drever, 83, retired president and board chairman, **American Steel Foundries,** died May 8 at Pompano Beach, Fla.

Theodore R. Ruth, assistant passenger sales manager, **New York Central,** Chicago, died May 10.

Robert L. Stearns, Jr., chairman of the board, **Kentucky & Tennessee,** died May 8 at his home in Stearns, Ky.

John H. Walkmeyer, 76, retired general freight traffic manager, **Gulf, Mobile & Ohio,** died May 9 in St. Francis Hospital, Evanston, Ill.

Leo C. J. White, 54, special assistant to the chief inspector, **Bureau of Explosives, Association of American Railroads,** died April 23 in Morristown Memorial Hospital, Morristown, N.J.

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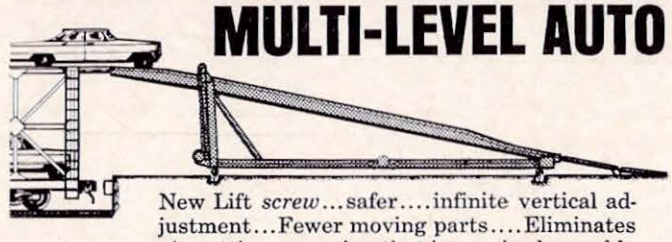

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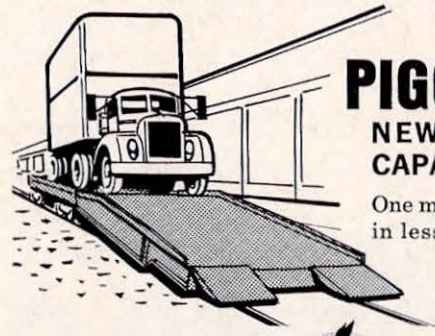

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Chicago rates get examined

A study of freight rates has turned up some interesting information. A significant finding: Truck rates are consistently higher than rail rates on many commodities being shipped to Chicago.

For about two years, export freight rates through the port of Chicago have been under intensive study—and now port officials and shippers may be ready to start doing something about the results.

The study, made by Edwin H. Draine, Loyola University economist, shows "both rate advantages and disadvantages for Chicago. In many cases we are in good shape. But—to maximize the port's potential, selective adjustments to the rates will have to be sought on individual commodities."

• **What was surveyed:** Draine's research hit three areas: (1) comparison of charges on 16 export commodities moving from midwestern origin points to northwestern Europe via alternate ports of exit; (2) delimitation of a freight-rate-advantage area for Chicago; and (3) comparative analysis of overland rail rates from midwestern origin points to the ports of Chicago, New Orleans and Baltimore.

Where rate disadvantages crop up, Draine emphasizes, "it is important to note that most of the rates prejudicial to Chicago were not created intentionally. They merely reflect a rate-making climate that prevailed before the St. Lawrence Seaway and its present port facilities were available. The problem has to be approached with objectivity. We now have new facilities here that warrant new rates."

Draine noted one significant finding of the study: "We found a consistent trend showing truck rates were higher than rail rates on many commodities shipped to Chicago. Such a pattern comes as a surprise and would appear to call for a reassessment for three reasons: First, there is a minimum of traffic congestion at the port of Chicago; second, if the efficiency of the truck is most pronounced over the short haul, this condition is not reflected in the truck rates; and third, port facilities at Lake Calumet were designed precisely to accommodate truck traffic."

• **More study needed.** Draine also called for "further inquiry . . . in the case of the large-volume multiple-car rates, with the objective of identifying the factors that make these rates possible. Are they production factors or transportation factors? That is, do the 100- and 200-ton minimum weights arise from processes related to production or are they the result of the need for large-volume ocean shipments to overseas areas best served from one port of exit? With the factors identified, it should then be possible to ascertain whether the port of Chicago could qualify for such a rate."

The Loyola economist makes a particular point of terming the study "an approach to the problem of rate readjustments that differs from others carried out on the Great Lakes. At no time was the element of the carrier's 'costs' in moving a shipment a factor of consideration. Instead, the published rates were utilized to indicate the existing relationships in order to uncover disparities in the structure as they related to Chicago. With such inequities identified, it will now be possible to propose courses of corrective action."

The study, released by the Chicago Association of Commerce and Industry, was sponsored by the association, the Illinois Board of Economic Development, the City Department of the Port of Chicago and the Chicago Regional Port District. ■

Dividends Declared

ATLANTIC COAST LINE.—50¢, quarterly, payable June 11 to holders of record May 4.

CHESAPEAKE & OHIO.—$1, quarterly, payable June 21 to holders of record June 1; Preferred, 87½¢, quarterly, payable Aug. 1 to holders of record July 7.

CHICAGO, BURLINGTON & QUINCY.—$2, quarterly, payable June 17 to holders of record June 2.

CHICAGO GREAT WESTERN.—5% Preferred, 62½¢, quarterly, payable June 30 to holders of record June 15.

CLEVELAND & PITTSBURGH.—7% Guaranteed, 87½¢, quarterly; 4% Guaranteed, 50¢, quarterly, both payable June 1 to holders of record May 10.

DENVER & RIO GRANDE WESTERN.—25¢, quarterly, payable June 14 to holders of record June 4.

GULF, MOBILE & OHIO.—50¢, quarterly, payable June 14 to holders of record May 25; preferred, $1.25, quarterly, payable Dec. 13 to holders of record Nov. 23.

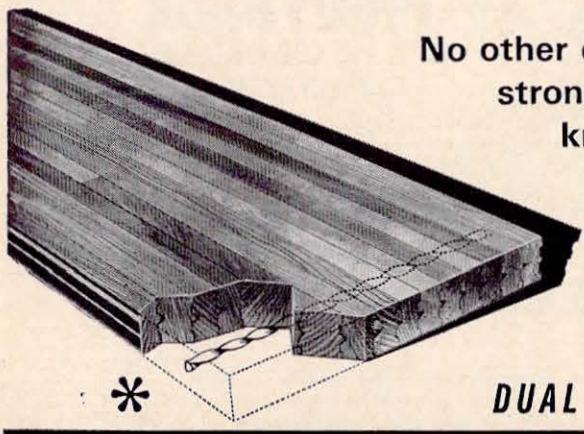
MISSOURI PACIFIC.—Class A, $1.25, quarterly, payable June 30 to holders of record June 11.

NORTH PENNSYLVANIA.—$1, quarterly, payable May 25 to holders of record May 18.

PITTSBURGH & WEST VIRGINIA.—New, 5¢, monthly, payable June 30, July 30 and Aug. 31 to holders of record June 15, July 15 and Aug. 13, respectively.

ST. LOUIS-SAN FRANCISCO.—37½¢, quarterly payable June 15 to holders of record June 1.

WESTERN PACIFIC.—50¢, quarterly, paid May 17 to holders of record May 3.



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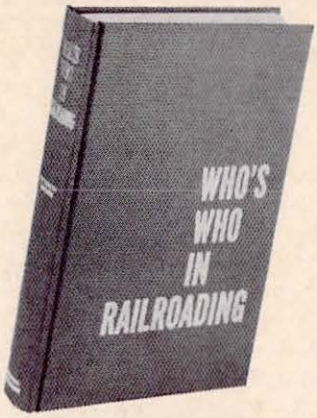

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The quality of railroad advertising is better than ever. But there's less of it. Are ad managers getting the support they need?

Railroads today, both individually and as an industry, probably have more to talk about than they've ever had before. Technological progress has been—and is—spectacular. Railroads are using, today, a whole drawerful of transportation tools that didn't exist just a few years ago. Shippers and receivers are benefiting—not only from the improved technology itself but also from the improvements in service which have been triggered by alert management use of advanced technology.

But while the railroad story is a great one, legitimate doubts can be raised as to whether it's being told in the fashion it deserves. Raw figures on the industry's advertising (as reported in more detail on pages 18-21 of this issue) indicate that railroads generally are doing more and talking less.

Figures culled from ICC Account 353 can be misleading, to a certain extent. But the fact remains that, over the past 10 years or so, expenses charged off to this advertising account have declined by about one-third. Total operating revenues in the same period, on the other hand, have remained relatively constant, $10.1 billion in 1955 and $9.5 billion in 1963, the last year for which complete railroad ad-expense statistics are available.

It should come as no surprise that the entire decrease in Account 353 is reflected in that part of expenses charged to passenger service. Freight-service advertising expense has actually gone up by about $1 million over the decade. But this still brings back the question posed earlier: Is it enough, in view of the whopping improvements in equipment, operations and services that have been made?

Railroad advertising men (who are meeting this week in New York) are inclined to answer the question with a firm (if somewhat frustrated) "No." But they, along with their brethren in the public-relations and company-magazine fields, have a problem. Simply stated, it's money: How to prove you need it, how to get it, how to prove it's working for you.

An ad man has no direct hand in bringing in business. He doesn't have a thing to do with the actual running of the railroad. He isn't telling computers what to do, and thereby creating tangible benefits. He is, like the PR man or the editor, a dealer in ideas and pictures and words. And this is where the frustrations can come creeping in. Budget time inevitably rolls around each year. And, each year, there are new and greater pressures for reducing railroad costs. Ad men, like other departmental officers, are called upon to justify (in full) their requests. But the contribution of an ad budget is a less provable thing than the contribution, for example, of a budget for 100 covered hoppers or a budget for another 50 miles of CTC. And so the advertising department, like as not, comes out with something less than its request.

This is not to say that there are not sound reasons for reducing ad expense, in certain instances. Management's decision may be to pour all available funds into improving the property—with the idea of keeping quiet, in an advertising way, until there's something really worthwhile to talk about. Or, a certain segment of the operation—passenger service is the best for-instance—may have tailed off to the extent where there's no point to continuing a broad ad program. Then, too, expense—as such—can sometimes be cut in more subtle ways, without sacrificing impact or effective audience.

More ideas than money?

Chances are that no advertising man worth his salary will ever think he has enough in the budget to do the job that could be done. The availability of ideas usually exceeds the availability of money—and that's probably as it should be, if it promotes the survival of the fittest ideas.

But, from a money standpoint, there's some reason to look for better times, bigger budgets, in the years to come. And the biggest factor may well be the industry's growing emphasis on a total marketing concept in freight service and operations. The progression is a logical one—marketing, tied to research, tied to sales promotion, tied to advertising.

Most observers would agree that the quality of railroad advertising is better than ever—and there's every reason to expect that ad managers and their agencies will be pushing the quality even higher. Quality isn't the problem, as the ad men see it. The problem is quantity—which might be defined as the ability to tell the railroad story as it should be told and in all the places it should be told.

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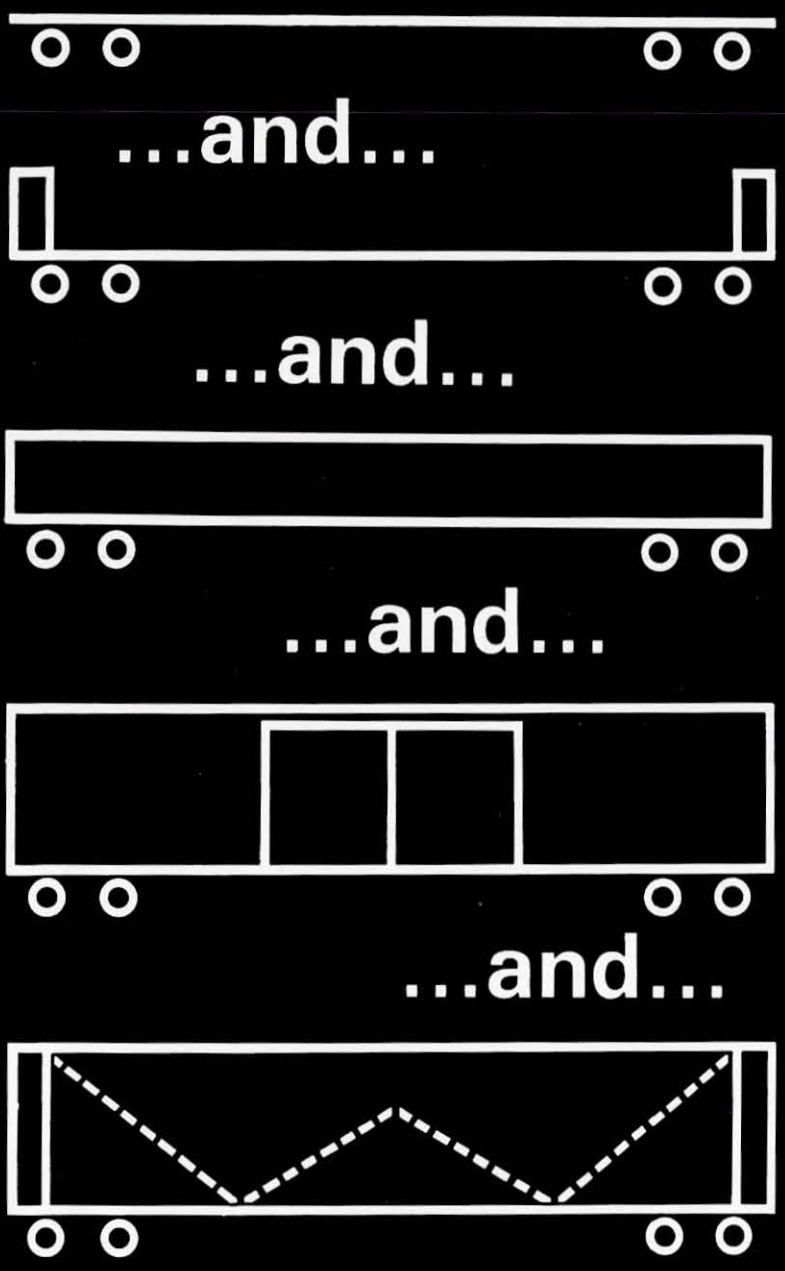

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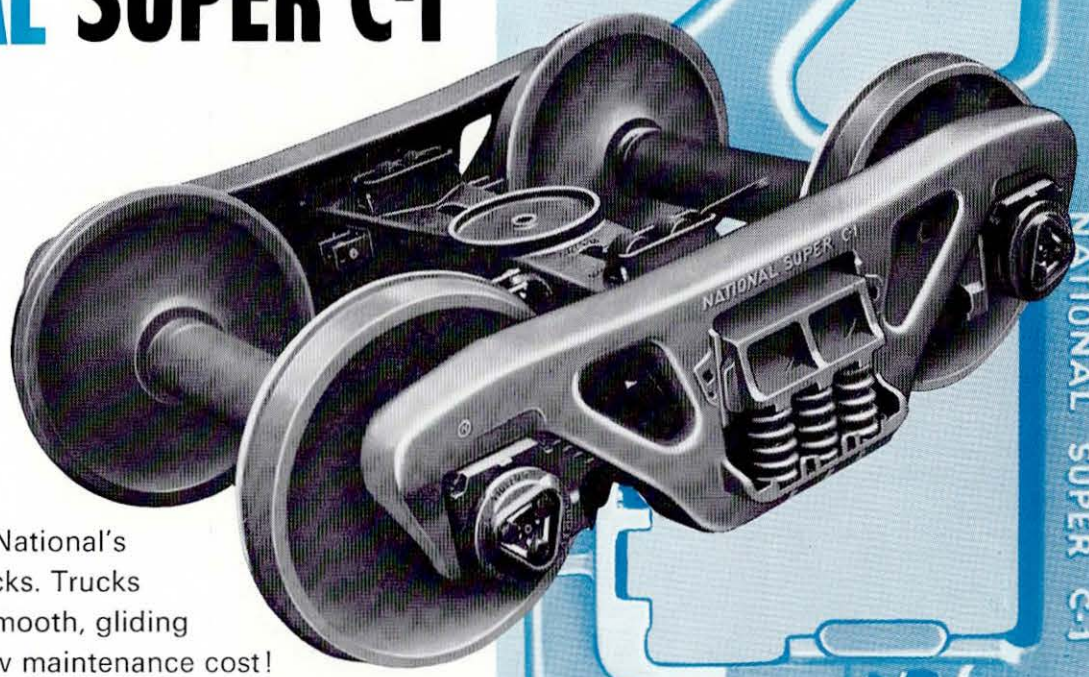

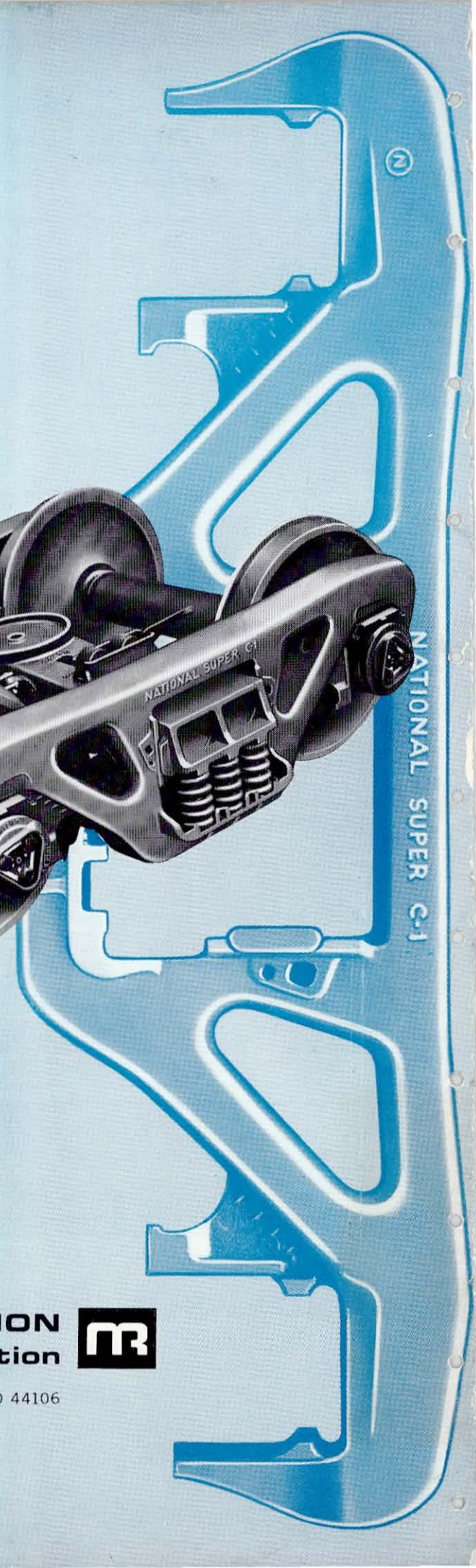

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